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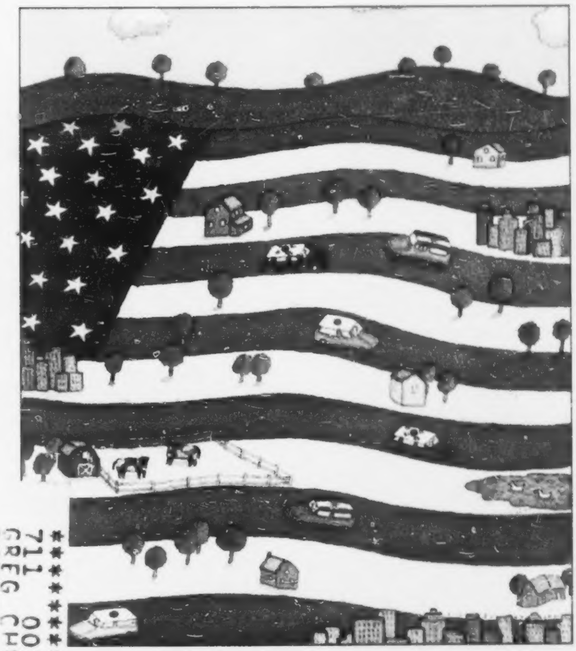
THE IMPORT INVASION: PART TWO



William Prior, president, Yugo America

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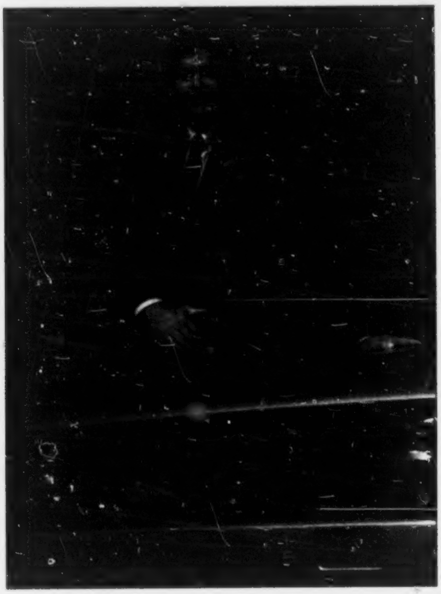
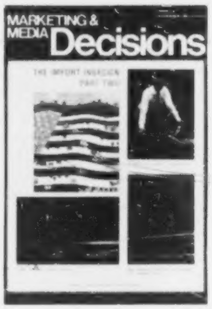


Max Jamiesson, executive vice president, COO, Hyundai America

Brand Report: Automotive Aftermarket



CONTENTS

NOVEMBER 1985, VOL. 20, NO. 14

Top, William Prior, president, Yugo America, Inc.; lower left, T. Arai, president of Suzuki of America Automotive Corp.; lower right, Max Jamiesson, executive vice president, chief operating officer, Hyundai Motor America

Features

38 The imports are coming!
Three entrants into the U.S. car market — the Yugo, Samurai and Excel — are making the most of their small sizes and price tags. Can the Volkswagen story be repeated?

49 Lights, cameras, action
Producing your own tv programing is a tempting option for many advertisers, despite the risks.

56 Cable marketers get back to their roots
MSO's are rediscovering their basic programing package as the key to subscribers acquisition and retention.

62 The future is now
That's the way the newspaper industry is beginning to think as it turns an objective eye on the way it does business.

68 Making a case for "Made in the States"
A group effort in the textile and apparel industry is behind an ongoing campaign to promote American fashions and fabrics.

76 The multibrand company and the network tv buy
Less can be more when a multibrand company consolidates its agency roster to give it more clout.

84 Nielsen Homevideo Index measures up
At least for some, this new tech measuring service is clearing the air on the impact new viewing options are having on people's media habits.

105 Brand Report 127: Automotive Aftermarket
It's all downhill once you leave the showroom, and this group of marketers earned $85 billion in retail last year to make sure it was a smooth ride.

Focus on . . .

Driving ashore
(page 38)

Cablevision

Back to basics
(page 56)

Parts and services
(page 105)

Departments

4 Focus on Marketing
6 Campaigns
8 Letters
14 Futures
17 Print Beat
20 Homework
22 Update
24 Newsmakers
27 New in Media
30 New Electronic Media
32 Direct Marketing
36 D.C.
120 Media Cost Index
127 Broadcast Beat

As They See It

88 Mediology
Ron Kaatz
89 Marketing
Stephen H. Martin
93 Television
Steve Sternberg
96 Magazines
Donna Campanella
99 Newspapers
Gabe Samuels

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HOMEWORK

Consumer interest in financial services

Americans view auto and home insurance as financial necessities, but they see most other financial services as unaffordable luxuries, according to 500 members of *Better Homes and Gardens'* consumer panel.

Better Homes and Gardens Consumer Panel: financial products and services

How familiar are you with the following financial products and services?

	Very	Somewhat	Not too	Not at all
Individual retirement accounts	34.4	38.0	9.6	5.0
Money market funds	26.4	35.3	16.1	17.5
Bank money market accounts	26.4	30.3	18.5	17.3
Retirement planning	17.5	38.7	21.2	14.4
Mutual funds	10.6	28.4	26.2	26.2
Variable life insurance	11.1	21.9	30.0	25.7
Tax/estate planning	8.2	20.9	32.5	26.7

In a recent survey on financial services, more than half admitted to paring down their budgets in the past two years, yet more than two-thirds predict their financial condition will improve within the next two years. Another two-thirds have a good idea of the financial products that best fit their needs, and most will shop at multiple sources for these services.

The one outstanding necessity appears to be home and auto insurance. Practically all respondents — 99% — believe it is the most important financial product to guarantee a family's well-being. Next in importance are retirement planning (85%), individual retirement accounts (81%), and financial planning (76%).

Degrees of familiarity with financial products parallel product ownership. Some 76% are familiar with IRA's, 67% with retirement planning, and 60% with money market funds. Respondents know less about tax/estate planning and variable life insurance, with the latter only owned by 5%.

The *Better Homes and Gardens* survey was conducted among 500 members of its 1,000-member Consumer Panel. A new panel is chosen annually from 5,000 names selected at random from the 7.45 million *BH&G* subscriber base. Results are available from the magazine upon request.

Thirty-five years of media research

Newsweek Inc. has released its second Media Research Index, detailing some 500 major media research reports published during 1950-1984.

The booklet lists the studies, journal articles, conference papers and books in chronological order and is divided into sections dealing with different media. Included are magazines, newspapers, television, radio, new electronic media, intermedia, out-of-home, and general research.

Along with the booklet, Newsweek has created a reference library, open to the advertising community, professors of advertising and marketing and students, with either actual copies of these reports or files on their findings.

Copies of the Index are available for $10, payable to Newsweek, from Wayne Eadie, director of media research, Newsweek, 444 Madison Ave., New York 10022.

The shape of things to come in supermarkets

There will be fewer, but bigger food stores in the year 2000, predicts Richard Neale, vice president of the Newspaper Advertising Bureau.

"Fifteen years ago, the 'superstore' concept did not exist," says Neale in a report on the food industry published by the Bureau. "Today, in the United States, there are 5,000 'superstores,' which are three or more times the size of the average supermarket. These stores represent only 3% of the nation's 160,000 food stores, yet they generate 30% of sales. By 2000 A.D., the total number of stores will account for 50% of sales."

A key factor, says Neale, will be the change in the population mix — especially the increase in the over-45 age group. While the under-18 and 18-44 age groups will shrink in relative size, the over-45 segment will jump from 30% today to 36% in 2000.

These older consumers are different from the aged poor of the Depression, with sophisticated tastes and the means to satisfy them, says Neale.

"It's easy to predict much larger markets for all kinds of nutrition products and for upgraded convenience products, and for sizes that fit one- and two-person households. These tend to be relatively higher-priced, and higher-margin, items."

The report, entitled "Toward Tomorrow," covers other predictions and projections concerning the future of the food industry; a consumer survey of 5,000 homemakers conducted by the Home Testing Institute on food shopping habits and trends; a survey of food retailer advertising; and brief market reports on the 15 largest food retail companies. Copies of the report are available from the NAB, 1180 Avenue of the Americas, New York, for $15 each.

NEW ELECTRONIC MEDIA

L'Oreal's video style

In a first for the cosmetics industry, L'Oreal is offering in-store videos to food, drug and mass merchandiser outlets on a national level.

Program originator Joyce Blackburn, brand manager, claims the store response has been "overwhelmingly positive," with the video helping to move substantial numbers of units. In exchange for the video, a three-minute continuous loop called "A Day in the Life of Deidre McGuire," who is L'Oreal's model, the trade must meet certain requirements. "In return for this proven traffic builder, we expect those participating stores to put up an end cap [end of aisle display] which exclusively features the L'Oreal Freehold styling mousse; maintain that display for a prescribed time period, and order a certain number of units," says Blackburn.

Currently 300-400 stores run the video each month. The program is coordinated with L'Oreal to provide what Blackburn terms "a synergistic marketing program."

L'Oreal works with in-store personnel to determine special price features, arrange co-op advertising plans and create attractive displays.

Participating chain outlet Pathmark reports moving "truckloads" of units due to the video display feature running in all its stores.

Viewership gains of ad-supported cable

Viewership of advertiser-supported cable nets is the fastest growing of all tv programing segments, claims the Cable Advertising Bureau. Nielsen-metered data for the first half of 1985 demonstrates the substantial gains made by ad-supported services in both all-cable and pay-cable households, as well as continuing strength against all competition, as indicated in the table below.

Total Weekly Viewing Per Household (24 Hours)

	1st Half 1984		1st Half 1985		% Change
In All Cable TV HH	Hrs:Mins	Share	Hrs:Mins	Shares	'84 vs. '85
Satellite Networks	7:11	13	8:01	15	+11
Superstations	4:49	9	4:58	9	+ 3
Total Ad-Supported Cable	12:00	22	12:59	24	+ 8
Pay Services	6:02	11	6:00	11	− 1
Network Affiliates	32:52	58	30:40	56	− 7
Independents	7:19	13	6:58	13	− 5
Public	1:30	3	1:42	3	+13
Total Usage	**56:17**		**55:01**		**− 2**
In Pay TV HH					
Satellite Networks	8:06	14	8:58	15	+10
Superstations	4:50	8	4:58	8	+ 3
Total Ad-Supported Cable	12:56	22	13:56	24	+ 8
Pay Services	10:19	17	9:58	17	− 3
Network Affiliates	32:02	54	29:37	51	− 8
Independents	7:46	13	7:28	13	− 4
Public	1:28	2	1:37	3	+10
Total Usage	**59:43**		**58:23**		**− 2**

Minutes do not sum to Total Usage due to Multi-Set Households

Source: A.C. Nielsen. Prepared by Cabletelevision Advertising Bureau

Cable's unsold inventory

High levels of unsold inventory still plague cable nets, putting a damper on local and national markets. Some networks, claiming 50%-75% unsold inventory, cite pressure to flesh out inventory with paid spots (as opposed to per-inquiry slots) as being responsible for cable's generally lower CPM's when compared with broadcast rates. High inventory and lower CPM's leave cable with a smaller ad buy than it rightly deserves when measured against the size of the viewing audience.

Latest count by Paul Kagan Associates shows local cable ad sales operations have 1,430 30-second spots to sell daily, up 7.4% from last year. The bulk of that growth comes in the 6 p.m. to 6 a.m. Eastern Standard Time period as networks like Black Entertainment TV, Nickelodeon and FNN attempt to support their 24-hour formats. Also, the launch of VH-1 added 96 30-second spots each day to local avail inventory.

On the national level, excess spot inventory puts a chill on ad revenue. The 23 cable nets surveyed by PKA account for a yearly industry inventory of 1.3 million 30's — an average of 133,500 per network!

FREE
QUARTZ WATCH!
$20 Value

Call and order cable today and you'll get more than just 25 great cable channels including HBO. You'll also get your choice of one of these quartz sports watches. Absolutely FREE!

Normally priced at $20, these watches feature quartz movements and sweep second hands. Just pick the watch that best fits your mood, your wardrobe or your lifestyle. It's up to you.

But hurry. Time is running out. This offer ends November 15th.

Group W Cable offers timely devices as a lure to basic subscriber sign-ons.

Basic cable gets fancy and learns to sell itself

Cable system operators are readily adopting product marketing techniques to lure in new customers for their basic cable services. Will such efforts help untangle cable's confused market image?

Is cable going to short-circuit itself or is it finally going to get its wires straightened out? That's the question still to be answered after a decade of sometimes dazzling, but often disappointing performance.

The promise and problems of cable are legion, but few are as prominent as its seeming inability to successfully market itself. The industry's initial obsession with technology and immersion in city council franchise wrangles took precedence over the designing of marketing programs to lure new subscribers. That mentality has hurt.

With cable's subscriber growth slowing, the industry is facing tasks which require marketing skills rather than technical acumen to upgrade its public image and convince reluctant consumers that cable has something for everyone.

A good part of the explanation for this subscriber slowdown is that most major areas have been wired or "passed" for cable service, and that those most eager to sample alternative programing have already signed on. But in order to attract new advertisers, multiple systems operators (MSO's) must convince recalcitrant consumers who passed up the opportunity before to now subscribe.

MSO's are now rallying to that task, culling the talents of advertising professionals and consumer product marketers to design targeted campaigns. Such a multi-faceted approach to marketing includes:

- Emphasizing basic service over pay channels. MSO's are finding that there is a ceiling people will pay for viewing services. And, too, there has been general public disenchantment with many of the pay services.
- Utilizing multimedia campaigns. MSO's are using direct mail, radio, newspapers, and tailoring the industry's Council of Cable Information strategies to each local system.
- Selling the individual program

Top 10 MSO Subscriber Growth, 1982-1984
(millions)

MSO	1984 Basic	1984 Pay	1983 Basic	1983 Pay	Annual Growth Basic	Annual Growth Pay	1982 Basic	1982 Pay	Annual Growth Basic	Annual Growth Pay
Tel-Comm	3.578	2.612	2.766	1.949	16.5	25.4	2.138	1.350	22.7	30.7
ATC	2.500	2.300	2.400	1.900	4.0	17.3	n/a	n/a	22.9	30.7
Group W	2.046	1.555								
Cox Comm.	1.538	1.556	1.445	1.527	6.0	2.0	1.291	1.267	10.6	17.0
Storer	1.502	1.495	1.371	1.404	8.7	6.2	1.163	1.283	15.2	8.6
Warner-Amex	1.196	.938	1.360	1.300	(13.7)	(38.5)	n/a	n/a		
Times-Mirror	.988	.855	.922	.760	6.7	11.1	.793	.525	13.9	30.9
Continental	.965	1.105	.748	.884	22.4	20.0	n/a	n/a		
Newhouse	.889	.910	n/a	n/a			n/a	n/a		
Viacom	.792	.644	.728	.587	8.0	8.8	.613	.472	15.8	19.6

Source: LINK Resources Data through yearend, except for Group W which is to March 31, 1985

rather than the package. Previously, most MSO's bombarded potential subscribers with all the programing possibilities cable offered. Tailored pitches are now perceived as more effective.

- Using sophisticated research. Some MSO's are using services such as PRIZM to segment potential subscriber universe. Campaigns are then tailored to reach these pinpointed groups.
- Bundling other services into the cable package. Jones Intercable, for example, is offering a VCR package to those signing up for cable service.

Clearly, the industry is scrambling to get a handle on what its chief selling points are, and, conversely, what misperceptions it generates. "Television is an emotional issue," says Scott Wills, president of Wills & Evans, an ad agency which handles some of the top MSO's. "There are tremendous attitudinal problems about tv in general." In selling cable, "you are offering people what they perceive as yet another temptation to watch more television, and therefore you have additional obstacles to overcome. Our task is to convince people that cable is not for couch potatoes."

These problems, plus the decline in franchise awards, new builds, and the slowdown in the rate of revenue growth, are promoting MSO's to become more focused and efficient. "There will be a managerial restructuring with tighter controls over operations, leaner staff and greater reliance on productivity incentives," predicts David Rosen, analyst with Link Resources. "There will be increased marketing and sales activities, with more attention to promotion and customer services. Targeted activities will be directed toward resisters, raising retention levels with renewals, and extending services to achieve revenue flow of $20-30 per subscriber per month." Currently, subscribers pay an average $10-13 a month for basic cable.

One of the biggest changes in approach is emphasizing basic service over the pay channels. "The systems found they had peaked in selling additional pay services to current subscribers since there appeared to be a ceiling as far as how much subscribers were willing to pay for additional services," notes Wills. "The industry has just begun to shift focus to that 50% of the market not subscribing, and to target marketing toward their special needs."

What was needed was a sales pitch that conveyed quality programing on basic cable, not clutter about quantity of programs and pay options. Nimrod Kovacs, vice president of marketing, programing and communications for United Cable Television, says pay has gotten significantly more difficult to sell than basic since the competitive environment has changed. "Initially, pay services represented clearly defined benefits which the proliferation of VCR's has since challenged," Kovacs comments. "And pay is not a substitute for going to the movies or a

EEKEND OUTLOOK
FRIDAY
COLD
FRIGID
VERY COLD
COLD
COLD
MILD
The Weather Channel
Cablevision

Something for everyone from ATC.

show. This disillusionment, coupled with the rise in VCR usage, has softened its value."

This new strategy for basic acquisition involves addressing people's perceptions about themselves and their media habits and the delivery of more program-specific messages. Says Margaret Richebourg, vice president of sales and marketing for Group W, the third-largest MSO, "People tune into programs, not channels, so our message must be program specific. We as an industry are just beginning to do a better job of defining cable by specific programs on the basic channels."

Concerning the image-remaking of cable, Ajit Dalvi, vice president of marketing, planning and development for Cox Cable notes, "Selling cable to people involves an awareness of the way they perceive themselves, which is principally that they do not watch enough tv for it to be an important part of their lifestyle. Actually in our market research we found that those same people have the tv on for 5.5 hours per day. That type of awareness which is a major hurdle to getting nonsubscribers to purchase cable helps us with marketing programs and in fine tuning existing selling approaches."

Many cable industry execs are calling upon their past experience in advertising and in packaged goods promotion to devise creative ways of catching the consumer's eye. United's Kovacs says his background in advertising (Doyle Dane Bernbach on American Airlines and Hershey accounts; Grey Advertising for General Foods; Wells, Rich, Greene for Ralston cereals, Alka Seltzer and the New York State Department of Commerce) gives him an edge in the cable business. "Selling packaged goods translates well to cable. Agency experience gave me flexibility and exposure to many ways of doing business, which works for cable where there are no cookie-cutter solutions," he says.

> "**People tune in programs, not channels, so messages must be program specific. That's the key to acquisition and retention.**"
>
> MARGARET RICHEBOURG
> vice president, sales and marketing,
> Group W Cable

Top 10 MSO Performance, 1984

Company	Systems/States	Basic Subs. (mil)	Pay Units (mil)	Homes Passed (mil)	% Basic /HP	% Pay /Basic
Tei-Comm.	600H (43)	3.578	2.612	6.297	56.8	73.0
ATC	451F (40)	2.500	2.300	4.500	55.0	92.0
Group W	135S (33)	2.046	1.555	3.849	53.3	76.0
Cox Comm.	50S (24)	1.538	1.556	2.702	56.9	101.0
Storer	140F (18)	1.502	1.495	3.358	44.5	99.5
Warner-Amex	102S (21)	1.196	.938	3.510	44.1	78.4
Times-Mirror	56S (16)	.988	.855	1.986	49.7	86.5
Continental	69S (11)	.965	1.105	1.735	55.6	114.5
Newhouse	67S (19)	.889	.910	1.432	62.1	102.4
Viacom	18S (7)	.792	.644	1.398	57.0	81.3

Code: F = Franchises, H = Headends, S = Systems
Data to yearend 1984, except Group W which is to March 31, 1985.

Source: LINK Resources

To better target potential subscribers, the industry is turning to sophisticated marketing tools for cluster information, and rallying its own trade organizations to assist in developing strategies.

The Council for Cable Information (CCI) committed $6 million toward its February/March prime time tv and radio campaign aimed at clarifying misperceptions about cable. The program involved an image awareness and attitudinal campaign to soften the market as well as the providing of materials to local systems to make the sale. CCI is supplying the systems with current 60-second tune-in ads of each basic service's upcoming programs and specials. Within the :60 spot is a :20 "donut" available for local inventory or cross-channel promotion. CCI's $750,000 radio blitz campaign commenced in late August on six major radio networks. Dubbed "American Achiever," the campaign, which was created by Wills & Evans, consists of three :30 national spots and two :60 second local spots with open tags for customized copy by local operators. During the eight-week flight, over 1,300 spots are scheduled in AM and PM drivetime, early AM, midday, and evening, as well as during radio specials and concerts. CCI also has its sights on a $12 million network broadcast tv and radio campaign starting in the first quarter 1986.

Integrating within the local environment is an important marketing application for cable, says Storer Cable's director of marketing Victor Harrison, whose 100 systems serving 1.5 million basic subscribers participated in the CCI umbrella campaign. Using the CCI copy and photos, Storer developed "a full-fledged multi-media campaign," says Harrison. That campaign, based on the slogan "I want you" also involved national incentive contests for all Storer's employees in 18 states who come into contact with consumers. The result: a doubling of its projected subscriber acquisition. The reason for such success, says Harrison, is participation at the local level by Storer personnel. "Community involvement benefits the company, community and subscri-

Top 10 MSO Financial Performance, 1983-1984
(millions except growth rate)

Company	1984 Rev.	1984 Earn/Income	1983 Rev.	1983 Earn/Income	Ann. Growth Rate Rev.	Ann. Growth Rate Earn.
Tel-Comm.	449.4	17.4	347.3	20.5	22.5	17.8
ATC*	1,255.0	212.0†	1,081.0	215.0†	13.8	1.4†
Group W	984.9	71.2	852.2	47.8†	13.4	32.9
Cox Comm.	405.1	54.6†	337.4	45.4†	16.7	16.8†
Storer	352.1	n/a	291.1	n/a	17.3	
WACCI**	941.3	(11.5)	834.6	(71.8)	22.7	83.9
Times-Mirror	251.5	37.9	154.0	15.3	33.8	59.6
Continental#	n/a	n/a	n/a	n/a		
Newhouse#	n/a	n/a	n/a	n/a		
Viacom	183.7	27.6	151.4	22.2	17.6	19.5

* ATC includes HBO and Cinemax
** WACCI includes cable and broadcast divisions
† Income is used
# Continental and Newhouse are privately held companies and financial data was unavailable

Source: LINK Resources

bers," he claims. "Cable is a service-oriented, consumer-oriented business."

In order for a large promotion to be successful it must be well coordinated with a good balance between electronic media tactics and direct marketing promotion tactics, notes Harrison. "The systems operators must use guerrilla marketing techniques in the field. Cable is a transactional business and as such the important sales efforts must be at point of purchase where it all happens."

The company is continuing its efforts at basic acquisition with a variety of local charity-oriented campaigns. In August, a muscular dystrophy fund-raising campaign acted as an umbrella approach to gaining subscribers. With a $5 donation to the Muscular Dystrophy Association, nonsubscribers got a free installation; subscribers got an additional pay service for a designated period. During a one-month time frame, Storer systems already had raised $20,000. The MSO plans a November/December drive called "Toys for tots." With a toy donation to a community organization, a free or half-price installation or upgrade is in the offing.

ATC, America's second-largest MSO and a part of Time Inc.'s Video Group (the other major units are its premium pay services, HBO and Cinemax) launched the industry's largest basic acquisition campaign. The company turned to PRIZM data to come up with psychographic and demographic profiles of the nonsubscriber universe, then compressed PRIZM's 40 psychographic profiles into four target audiences. Such segmentation enabled the MSO to send direct mail into franchise areas delineated by PRIZM tracks to improve the likelihood of delivering their message to the right audience, says Steve Ste.-Marie, ATC's vice president of marketing. "Marketing to new subs gives us more leverage as opposed to remarketing current subscribers to take on additional pay services," says Ste.-Marie. "It's easier to acquire a nonsubscriber than to get someone who is already paying us $20 a month to pay $30."

"**Marketing to new subs gives us more leverage as opposed to remarketing current subscribers to take on additional pay services.**

STEVE STE.-MARIE
vice president of marketing,
ATC"

Ste.-Marie whose career includes past positions in product management with Standard Brands and marketing with Pepsi Cola USA, has been steering the company into targeted multimedia campaigns over the past 18 months using all the principals of segmented marketing for direct mail, newspaper, radio and tv ads. ATC's fall campaign, which won CTAM's Grand Tam for general advertising campaigns, was orchestrated with Wills & Evans. The target: ATC's 4.6 million homes passed (of which 2.3 million are current subscribers), using specific materials incorporating PRIZM cluster info and Opinion Research Corporation data to penetrate a four category universe. These four groups are: the Prove-Its (hard core resisters); Tv Lovers, who tend to be more receptive; the Young and Busies; and the Older Resolves, who are more set in their ways.

The campaigns targeted those particular groups' concerns. To the Young and Busies, ATC conveyed the message that cable offers a sense of control over one's viewing habits as opposed to feeling at the mercy of the medium, explains Ste.-Marie. Tv Lovers, already predisposed to the product category, related to the message conveying cable's variety and choices. For that group, though, price was a concern. The direct-mail pieces therefore specified the average price of $10-12. ATC addressed the Prove-Its' concerns of managing tv viewing, characterized by a concern over R-rated programing, sex and violence by emphasizing family, children's and informational shows.

And to the Older Resolves, who are tv viewers but concerned with R-rated shows and price, the messages addressing those issues were conveyed in language that group can relate to. For instance, explains Ste.-Marie, classic films were referred to as old movies, and shows were described as theater. Ste.-Marie explains, "That kind of word-smithing makes our message more understandable to that group."

Eighteen of ATC's 23 divisions undertook ATC's spring campaign termed, "Everybody loves something about cable." Says Ste.-Marie, "The

Continued on page 143

to introduce a brand at the same time with almost exactly the same chemical formulation that worked equally well.

The obvious way to introduce AMMO was to scream as loud as possible about a breakthrough and hope the noise and braggadocio would drown out the competition. This is exactly what AMMO's competitor did. They not only spent 50% more on media exposure. This headline will give you a feel for their creative approach: "Introducing Cymbush! There's never been cotton insect control like this! The ultimate has arrived!"

In positioning parlance, this is known as the "firstest-with-the-mostest" strategy.

Nevertheless, our Benefit Testing indicated that growers are not only skeptical about what they view as Madison Avenue hype, they are turned off by it. (Other research we have conducted indicates that this is the case with much of the American public.) Growers told us to stay away from sensationalism. They said we'd have a better chance of getting their attention if we gave them practical and specific information about how the product could benefit them. Hence our approach exemplified by this headline: "AMMO. It takes care of 16 cotton insects and seven cotton insecticides." In other words, there was no longer any need to go the effort or expense of using several different brands.

AMMO became the top-selling brand in its category that first year, and captured 20% more market share than its loud-mouth competitor. This happened even though both brands were priced the same and had equally good distribution.

Which leads me to the moral of this story. Time and again our tracking studies show that media exposure leads to awareness and awareness leads to sales. But those same studies also show that the message that is plugged into media exposure makes a tremendous difference. They show that a benefit that's relevant to prospective customers is the most cost-efficient way to add muscle to your media — and with competition increasing as it is, your media and mine need as much muscle as they can get. ■

TELEVISION

By STEVE STERNBERG

Manager of broadcast research
McCann-Erickson

The networks and VPH

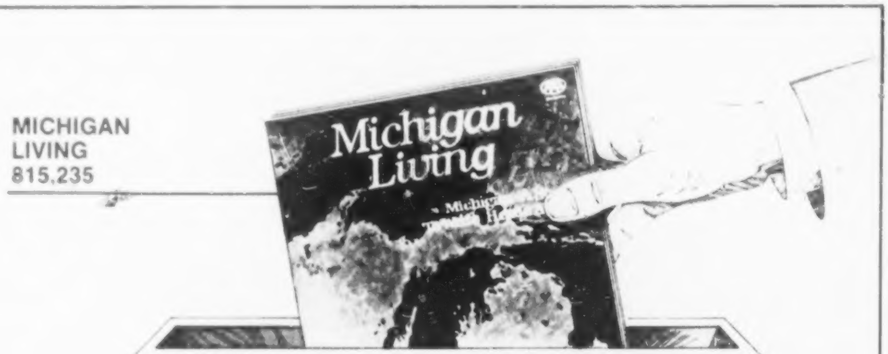
It has been well documented that network television underdelivers in pay cable homes. These homes, which are younger, more upscale and have larger families, are generally heavier con-

LEADER OF THE RACK

Michigan's largest magazine circulation base belongs to Michigan Living. Each month, our pages reach an affluent, educated audience that clips coupons, dials toll-free numbers and places orders the day their issues arrive. Your cost per thousand? Only $9.88 for color; just $8.23 for black and white. So start racking up your own results.

Michigan Living

Ask your agency about us.


MICHIGAN LIVING 815,235
Michigan Living
READER'S DIGEST 718,542
Reader's Digest
TV GUIDE 477,929
TV GUIDE
NATIONAL GEOGRAPHIC 306,494
NATIONAL GEOGRAPHIC
TIME 180,049
TIME
SPORTS ILLUSTRATED 105,526
Sports Illustrated
NEWSWEEK 97,484
Newsweek
METROPOLITAN DETROIT 30,192
METROPOLITAN Detroit
MONTHLY DETROIT 37,480
MONTHLY DETROIT

Source: ABC Audited Statements, Dec. 31, 1984

sumers. These homes also have the greatest number of alternate (non-network) viewing options.

Last year, McCann issued an internal report outlining specific methods of offsetting network underdelivery in pay cable homes, exclusive of alternate viewing options. The major finding at the time was that prime time programs, airing Monday through Thursday, with adult 18-49 VPH's (Viewers Per Household) of .90 or higher perform well above average in pay cable homes (relative to total U.S.).

One possible reason for the strong correlation between high adult 18-49 VPH's, and a high pay cable index (pay cable rating divided by total U.S. rating) is the higher concentration of adults 18-49 in pay homes (56%) versus total U.S. homes (49%). (See chart A.)

Since adults 18-49 comprise such a large portion of the average pay cable household, it is logical to assume that programs with high concentrations of 18-49-year-old viewers will perform well in these homes.

CBS's poor performance in pay homes probably stems from the network's traditionally weak adult 18-49 viewer concentration, i.e. low adult 18-49 VPH. (See chart B.)

Note that both NBC's average adult 18-49 VPH and its pay cable index were both down from last year. This seems to indicate a correlation between the two. While CBS's adult 18-49 VPH did go up versus a year ago, it was still so low that the network's pay cable index was relatively unaffected.

Although admittedly an arbitrary cut-off point, nine of the eleven regular series, airing Monday through Thursday, between October 1984 and April 1985, with an average adult 18-49 VPH of .90 or higher, overdelivered in pay cable homes. (See chart C.)

As you can see, whereas prime time, as a whole, underdelivered by about 10%, the programs selected based on an adult 18-49 VPH of .90+, on average, overdelivered in pay cable homes by 4%.

Last season, with one exception (again, *Remington Steele*), the pay cable indexes of programs with adult 18-49 VPH's of 90 or more ranged from 98 to 114. In fact, over the past three seasons, 25 of 30 programs with .90+

A. Pay Cable Homes vs. Total U.S.

Pay Homes	Persons 2+	Children 2-11	Teens 12-17	Adults 18-49	Adults 50+
(000)	65,650 (100%)	10,900 (17%)	6,710 (10%)	37,060 (56%)	10,980 (17%)
Total U.S. Homes					
(000)	222,370 (100%)	32,870 (15%)	21,070 (9%)	109,830 (49%)	58,600 (26%)

B. November 1984-March 1985 Prime Time Pay Cable Performance by Network (Regular Programing)

	Total U.S. Rating	Pay Cable Rating	Pay Cable Index	(Last Year)	Adult 18-49 VPH	(Last Year)
ABC	15.7	14.0	89	(96)	84	(87)
CBS	17.2	14.5	84	(85)	78	(75)
NBC	16.2	15.7	97	(91)	94	(87)
Network Avg.	16.4	14.7	90			

C. Prime Time Programs with Adult 18-49 VPH's of .90+ (October-April)

Network	Programs	Total U.S. Rating	Pay Cable Rating	Pay Cable Index
NBC	Hill St. Blues	16.6	18.8	113
NBC	St. Elsewhere	13.4	14.0	104
NBC	Night Court	17.4	20.2	116
NBC	Cheers	19.7	23.0	117
ABC	Dynasty	24.8	25.1	101
NBC	Remington Steele	16.9	15.0	89
NBC	Family Ties	22.0	24.6	112
NBC	Riptide	19.0	15.9	84
NBC	Bill Cosby Show	24.2	25.2	104
CBS	Charles in Charge	13.5	13.7	101
ABC	Hail to the Chief	18.5	18.6	101
	Average	**18.7**	**19.5**	**104**

D. Prime Time Programs with Pay Cable Indexes of 100+ (October-April)

Network	Program	Pay Cable Index	Adult 18-49 VPH
NBC	Hill St. Blues	113	1.08
NBC	St. Elsewhere	104	1.01
NBC	Night Court	116	.99
NBC	Cheers	117	.98
ABC	Dynasty	101	.90
NBC	Family Ties	112	.92
NBC	Bill Cosby Show	104	.90
CBS	Charles In Charge	101	.90
ABC	Hail To The Chief	101	.99
CBS	Dreams	102	.78
ABC	Paper Dolls (10 p.m.)	104	.85

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adult VPH's had pay cable indexes of 98 or higher (19 were over 100).

To further emphasize the pay cable index/adult 18-49 VPH correlation, we see that not only did nine of the 11 programs with adult 18-49 VPH's of .90+ achieve pay indexes of over 100, but nine of the eleven programs with pay cable indexes over 100 had adult 18-49 VPH's of at least .90. (See chart D, pg. 95.)

Over the past few years, the prime time daypart had consistently underdelivered in pay cable homes by about 10%. There have, however, been a number of programs that have performed as well or better in pay homes as in the total U.S.

We have looked at program type, program length, time period, night of the week, etc., and have found only one consistent discriminating factor. Virtually all programs with pay cable indexes over 100 have an adult 18-49 VPH of .90 or higher.

If pay cable underdelivery is a concern, a concentration of programs with projected adult 18-49 VPH's of .90+ should reduce its severity. ■

MAGAZINES
By DONNA CAMPANELLA
Vice president, media director,
Cato Johnson Y&R

The rise and (short) fall of rate bases

The sacred cow is no longer a sure bet. The magazine rate base, once an unquestioned part of media life, is no longer beyond reproach. Whereas a planner used to be able to develop a magazine schedule and rest assured that the plan would deliver the estimated audience, it has now become a more risky proposition because of fluctuating monthly circulations and underdelivery. Planning magazines today requires more in-depth analysis than ever before. There is a need to analyze the magazine's monthly circulation on an issue-by-issue basis to ascertain if rate base has been achieved and the audience delivered. Not only are these circulation shortfalls having a profound effect on the magazine industry as a whole, but they may also affect the way future magazine schedules are planned.

It's no secret. Many large magazines are failing to meet their rate base. For the first half of 1985, according to the Audit Bureau of Circulations (ABC), one third of the nation's 89 major magazines showed circulation losses. Of these, 25 were down in single-copy sales. We're not talking about magazines such as *Tiger Beat* or *True Romance* that rarely get on the schedules of many major brands. Well known and respected magazines such as *Reader's Digest*, *Playboy*, *Newsweek*, *TV Guide*, *Time*, *Woman's Day* and *Family Circle*, to name a few, all showed circulation shortfalls primarily due to single-copy sales.

This loss in circulation, primarily due to slumping single-copy sales, can be a result of many things — resistance to cover price, too many options, (either from other magazines or other leisure activities), weak covers, or the added frequency of issues. However, the end result is that an advertiser is not getting the audience he has paid for if a magazine fails to deliver its guaranteed circulation rate base.

The media community can no longer ignore this issue. Performing a post-buy analysis on an issue-by-issue basis to determine if, on average, there is a need for credits based on circulation shortfalls is only one small step in the overall problem. It's akin to locking the barn door after the horse is stolen. It's a short-term solution to a larger, long-term problem.

The quantitative criteria for analyzing magazines includes circulation, composition, coverage and CPM — some of which are usually based on averages from the magazine's latest six-month ABC statement. While the circulation variances are factored into

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*U.S. & Canadian Subscribers

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the coverage numbers, most planners are not cognizant of these fluctuations. Rather than solely relying on a computer printout, it is also necessary to analyze magazines on delivered vs. projected rate base circulation. Knowing if a magazine has or has not been meeting rate base, by how much and why, are important factors that cannot be ignored. While overall circulation increases/decreases may ultimately be averaged out in the end, there still are wide variances issue by issue.

Let's say that you're planning a packaged good product whose target is women 25-49. The traditional Seven Sisters, among others, would be analyzed. Let's assume that this will be the only time within the fiscal year that your brand will use print and the advertising will be scheduled during the month of May. In addition to analyzing the magazine's composition, as well as circulation and coverage based on the latest six-month ABC statement, an overall circulation analysis of each book is done, concentrating particularly on the May issue. A four-year history of these seven books from 1981-1984 indicates that each book, with the exception of *Good Housekeeping*, missed rate base at various times throughout the period, with *Woman's Day* and *Family Circle* showing the biggest fluctuations.

A closer examination of circulation for the month of May, since this is the issue you would be buying, indicates overall strength for all magazines except the two store books. *Woman's Day* and *Family Circle* show wide variances in overall shortfall or bonus circulation, particularly if more than one issue was published that month. The four year average for May in *Family Circle* showed a 20% shortfall, whereas *Woman's Day* was down 30% in circulation. As magazines which rely solely on single-copy sales, these books are at the mercy of the buying public.

Women's Service Field
Number of Issues That Did Not Meet Rate Base*

	1981	1982	1983	1984	1981-1984 Total
McCall's	1	1	—	1	3
Family Circle	9	10	9	12	40
Woman's Day	12	10	7	13	42
Better Homes and Gardens	1	2	3	3	9
Ladies' Home Journal	4	—	—	—	4
Redbook	3	4	—	—	7
Good Housekeeping	—	—	—	—	—

* Note Family Circle has 17 issues per year, Woman's Day has 15 and all others have 12.

As a result of this analysis, both *Woman's Day* and *Family Circle*'s circulation and audience coverage and CPM should be adjusted to reflect these fluctuations. If these revised numbers are analyzed at the planning stage, they may be more indicative of the audience to be delivered in these magazines during this particular time period. As a result, the ranking criteria of books may be altered, resulting in a different recommended print list.

What I am suggesting need not only be done if one particular issue of a magazine is to be purchased. This process should be analyzed for all magazine planning. An analysis of issue-by-issue delivery vs. rate base circulation guarantee can yield more surprises than the ingredients in a truck stop's meatloaf!

Given fluctuations by issue, analyzing magazines based on their latest six-month ABC statement and using these numbers for annualized planning may not be indicative of a magazine's seasonal circulation condition. It may also not be the best way to plan. If a magazine traditionally has underdelivered on circulation during the first three months of the year, then different numbers should be used for first quarter vs. the other quarters. While one may argue that annualized averages all come out even in the end, this may not be true based on fluctuating circulation shortfalls and increases.

To some, what I'm suggesting would be comparable to memorizing the entire dictionary — something that would be time consuming and tedious. It would require issue-by-issue circulations analysis of each of the major books being considered on a schedule. This information can be readily culled from the magazines themselves.

What this would also require are revised coverage figures for each book to be fed into the computer for reach/frequency purposes.

This, to me, is a small effort to make to insure that the best possible print list is selected and delivered for a client's brand. In addition, this added analysis may not be necessary for each plan. The magazines being considered and the overall circulation fluctuations over the years will determine the necessity.

There is one other way to tackle the problem of magazine shortfalls and their effect on the planning process. The solution lies with the magazines themselves. It is the magazines that set policy as to guaranteed rate bases, cover price, methods of gaining subscriptions, etc. It is the savvy magazine publisher who analyzes the circulation history and announces a cut in circulation when deemed necessary. This adjustment was recently made by *Reader's Digest*. Now that this publishing giant has taken this major step, will other magazines follow suit?

A few years back both *Family Circle* and *Woman's Day* announced fluctuating seasonal rate base guarantees, recognizing the seasonality involved in the purchase cycle of magazines, particularly in regards to single-copy sales. They must again reassess their situation. As already stated, both books have had significant shortfalls in circulation over the years, especially when analyzed on an issue-by-issue basis. While, as of this writing, there is speculation from these two magazines regarding circulation decreases and circulation guarantees, to date, nothing has been formally announced.

Magazine planning should be a precise, disciplined science. It should not be a hit or miss exercise that's dependent on the whims of the consumers who may or may not buy a particular magazine each month. Remember the old adage, "What you see is what you get." Let that truly be the case when it pertains to magazine circulations. Hopefully, magazine publishers will be able to control these fluctuating single-copy sales and adjust their circulations accordingly. This, in turn, will allow the media mavens at ad agencies to continue planning as usual. If not, more involved and in-depth analysis will be the medicine the doctor ordered. Let's see who follows the leader (i.e., *Reader's Digest*) so that this may not be necessary. ■

NEWSPAPERS

By GABE SAMUELS

Senior vice president, media director,
J. Walter Thompson/San Francisco

The trend can be reversed

"If you extend long-term share-of-market trend lines, it looks as though television could displace newspapers as the number-one advertising medium sometime before the turn of the century."

Strong statement!

It's even more so when you consider that in 1984 tv advertising volume accounted for 21% of the $85 billion total advertising spending in the U.S. vs. 27% for newspapers.

Before proceeding with some thoughts as to how, in this writer's opinion, the problem might be tackled, I'd like to ascribe a source for the above quote.

On May 8th, speaking at the annual membership meeting of the Newspaper Advertisers Bureau in Miami Beach, Harold W. Andersen announced a new industry-wide project to "improve the long-range position of the newspaper advertising business."

In order to carry out this project, the industry has formed a committee to be

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Motorland is "The Travel and News Magazine of the Western Motorist" as the masthead says. But to our readers it's much more ... it's the one magazine that complements and enhances their broad interests and travel lifestyles.

Motorland takes readers touring within California and other Western states ... sends them to Hawaii and Alaska ... abroad to the Caribbean and the Mediterranean. Motorland tells them how to get there ... and what to do once they arrive. And when our readers are not traveling, it helps them plan their leisure time activities ... shop for a new car or care for their present one.

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Motorland Readers...

ABC audited circulation 7/85:	1,601,900
Median houshold income:	$33,500
Own Car:	99.5%
Took foreign trip last 3 years:	69.2%

Source: MRI, San Francisco ADI double base.

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Illustrations by Richard Rosenblum

Brand Report 127:
Automotive Aftermarket

Tuning up for greater profits

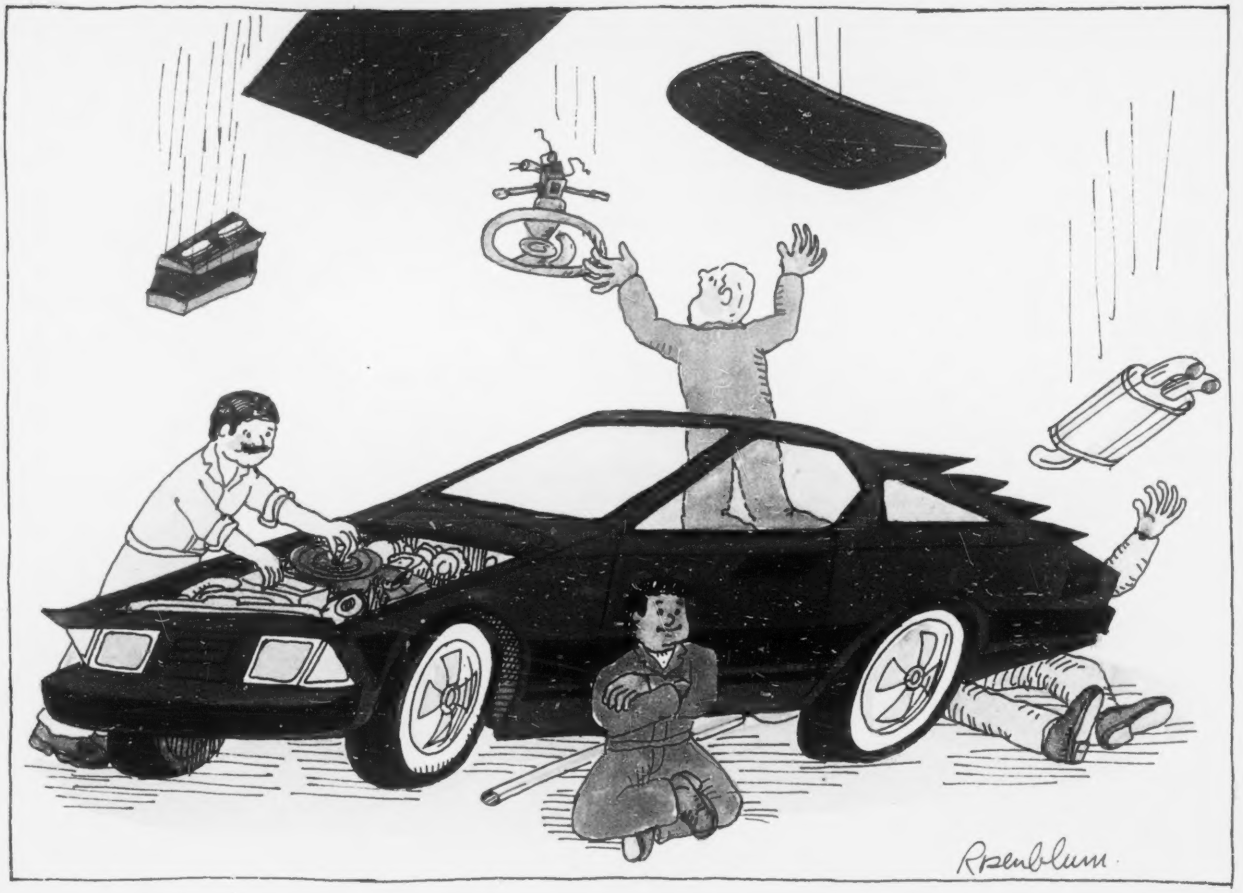
New car sales are booming and car makers are happy. But it's the older autos that are responsible for putting sales growth in fourth gear for much of the automotive aftermarket.

Existing cars are being driven longer — the average age is 7.2 years — and people are driving more miles in them. Add to that the fact that new cars are more complicated: Certain parts wear down faster and can only be fixed by a mechanic. The aftermarket, therefore, "is going to get bigger," James K. DeVoe, director of advertising at Goodyear Tire and Rubber, states flatly. "The car was redesigned. You can't fix it with a screwdriver anymore."

Tires, batteries and accessories clank, rattle and roll off assembly lines and into the automotive aftermarket to the tune of about $85 billion retail, including the servicing of cars. According to the research firm of Frost & Sullivan, that figure will grow to $116 billion by 1990. The bulk of that increase will come from the service and replacement parts businesses.

To the vast majority of consumers, however, the aftermarket is an afterthought they are about as keen on as having a flat tire or an engine that coughs when it should kick over. "It tends to be a negative purchase," one marketer winces.

But, in a seeming contradiction, it's an industry that is becoming more consumer-driven. As competition in almost every branch of the market heats up, its traditional channels of distribution are being reforged. The manufacturer-to-warehouse-to distributor-to jobber-to service station and car dealer-to consumer chain is being challenged. Now there are a growing number of



outlets that sell directly to consumers.

The creation of brand awareness, hence advertising, is taking on increased importance. A recent study conducted by the Newspaper Advertising Bureau showed that there is a window of opportunity for marketers where brand awareness is concerned. Of those asked, only 52% said they specified a brand the last time they bought spark plugs; only 42% specified a brand the last time they bought shocks.

"The aftermarket must be more consumer oriented," insists Ron DeFeo, vice president of marketing at Monroe Auto Equipment. "The days of the car population growing faster than the people population are gone."

Since 1973, the unwieldy aftermarket has changed dramatically and for a variety of reasons. The gas crisis and ensuing recession made people keep their cars longer. In the 1960's, people barely gave their existing models time to lose that new-car smell, buying new ones about every three years.

In addition, a growing number of consumers, looking to save even more money, began to make more repairs themselves. That trend was bolstered by the advent of self-service gas stations, making car owners feel more self-reliant (now only 28% of all gas sales are attended). The do-it-yourself (DIY) market has grown to where some estimate it represents more than 30% of parts purchases.

And something else changed. The 225,000 gas/service stations that, in 1972, dotted the landscape like auto oases, have since dwindled by 90,000. "We've now got a whole generation of people who are pumping their own gas and not relying on a station attendant to say 'Your tires look worn' or 'Your fan belt should be changed,' " says Val Corradi, vice president-automotive marketing at the Newspaper Advertising Bureau.

Reasons for Having Car Serviced at a Particular Place

Better service	34%
Good reputation	32
Like/know personnel	26
Less expensive	14
Good location	14
Other (car still under warranty, will guarantee work, better value, and other)	25

Source: Newspaper Advertising Bureau, Inc.

But other types of outlets and service centers were on the rise at the same time. According to the Automotive Parts and Accessories Association, the number of auto parts stores shot up 33% between 1980 and 1983 alone. They now number about 38,000. The number of drug stores selling parts rose 12% in the same period. Mass merchandisers, such as Sears and K mart, are increasingly important players, as are hardware and even grocery stores.

Despite all the DIY growth, service centers may show the most impressive growth in the future. "Cars have gotten smaller, lighter, more exotic and more electronic," explains Goodyear's DeVoe. The average new car's 15,000 parts are too sophisticated for most owners to tinker with. Compare today's new car to the new car of the 1960's and, says Samuel M. McAllister, director of marketing and forward planning at General Motors Parts, "It's like comparing the Wright Brothers' airplane to the space shuttle." The use of electronics in the car goes beyond fancy dashboard do-dads like digital clocks. It includes things like fuel injection and spark plug timing. Says DeVoe, "People are going to be desperately looking for a qualified person to fix their car."

According to Leading National Advertisers, ad spending for the aftermarket — including tires, parts and accessories, and services — totaled about $112 million in 1984. But, according to the Newspaper Advertising Bureau, newspaper spending totaled a whopping $383.5 million, reflective of the tremendous amount of co-op ads the industry runs (usually in sports and classified sections). "There are a lot of new shooters in this business," says Corradi, a lot of whom — like drug chains, for instance — are veterans of newspaper advertising.

Vector
GOODYEAR

Good mileage from a big ad budget.

Tires

The growth of imports, design changes in both cars and tires, and even the weather have all contributed to hard times for makers of replacement tires for passenger cars. "The tire business is extremely competitive now," says a spokesman for Uniroyal. "There's over-capacity all over the world and especially in the world's biggest market — the United States."

Replacement tires did $13.8 billion in retail sales in 1984, according to *Modern Tire Dealer*, a trade book. Sales for the past four years fell a total of 6%.

Since the 1970's, better-performing, longer-lasting radial tires have overtaken the market and are expected to claim 80% of the market by 1988, according to Frost & Sullivan. A set can last for up to three years, as opposed to about 1.5 years for non-radials.

The replacement rate has also been slowed by the advent of smaller, lighter cars which are easier on a set of tires than their gas-guzzling predecessors. Even the weather has been the foe of tire makers over the last few years. Warmer winters and cooler summers than expected served to lessen tire wear and the need for replacements.

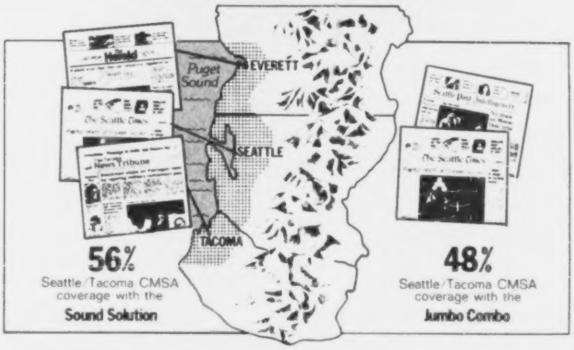
Of domestic companies marketing new replacement tires for passenger cars, **Goodyear**'s 15% market share puts it on top (all tire company market shares provided by *Modern Tire Dealer*, a trade journal). James DeVoe credits much of the company's success to its strong distribution system, which Goodyear supports with a national newspaper campaign as well as with a hefty co-op program.

Goodyear is also a great believer in promotional events, getting its name involved in about 300 regional happenings every year. And don't forget the blimps: Goodyear's three tour around the country and hover over big-name sporting events like the Olympics, the U.S. Open and the Super Bowl.

Leading National Advertisers says measured media expenditures for Goodyear in 1984 totaled about $33.8 million. DeVoe calls that "the tip of the iceberg," adding "that doesn't touch the fact that, for instance, we do two promotions a month in every major market, plus tv blitzes in 20 or 30 of the top markets." He says that the 1985 budget was increased somewhat over the actual 1984 numbers, and that 1986's will grow, too.

Goodyear also runs narrowly targeted advertising in a wide variety of enthusiast books, depending on the type of tire it wants to sell. Titles range

Reach over 50% of the Seattle Market more efficiently with the Sound Solution.


Herald
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Seattle/Tacoma CMSA coverage with the
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48%
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Jumbo Combo

Now there's a better way to reach the over 2 million people who reside along the shores of Puget Sound. It's the Sound Solution. With The Herald, The Seattle Times, and The Tacoma News Tribune, your Seattle/Tacoma CMSA buy becomes 11% more efficient. And you can maximize your reach at a discount. For details see the Seattle Sound Unit at the beginning of Washington state's listing in SRDS

SOUND SOLUTION

The Herald • The Tacoma News Tribune

See the Seattle Sound Unit in SRDS

Represented Nationally by Sawyer-Ferguson-Walker, Inc. • 1983 Scarborough

Media Expenditures (000)
Top Spending Tire, Parts & Services Companies*

TIRES	Total (LNA)	Mags	Network TV	Spot TV	Radio	Outdoor
Goodyear	$33,869.6	$5,231.5	$19,884.8	$9,161.4	56.8	$711.2
Firestone	$4,066.5	$3,441.7	—	$598.8	—	$26.0
Michelin	$12,760.6	$3,996.0	$7,989.6	$739.4	—	$35.6
B.F. Goodrich	$3,679.0	$3,478.7	—	$182.5	—	$17.8
Uniroyal	$5,032.0	$1,352.0	$1,686.1	$1,993.9	—	—
General Tire & Rubber	$341.4	$50.7	—	$119.0	—	$171.7
Bridgestone Tire	$3,593.0	$626.1	—	$2,966.9	—	—

SERVICES & PARTS	Total (LNA)	Mags	Network TV	Spot TV	Radio	Outdoor
Sears	$19,849.5	$ 97.8	$18,029.8	$ 970.8	$ 751.1	
K Mart	$8,605.3	$1,939.2	$4,233.3	$2,419.7	—	$13.1
Midas[1]	$46,000.0	—	—	—	$9,992.9	—
AAMCO	$15,617.6	—	—	$15,527.9	$5.1	$84.6
General Motors Parts	$15,415.0	$6,385.1	$8,487.4	$542.5	—	—
NAPA	$4,867.5	—	$3,425.8	$1,417.0	$19.0	$5.7
Monroe	$4,312.3	$650.9	$3,524.8	$126.7	—	$9.9
Champion	$3,560.5	$1,625.5	$1,515.1	$405.5	$9.0	$5.3

*Exclusive of newspaper spending which is largely done on a co-op basis.

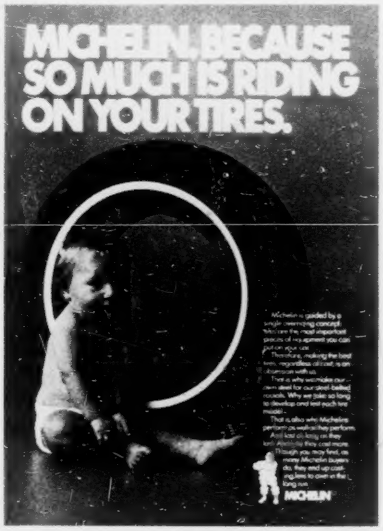
[1] Largely spent on spot TV

Source: Leading National Advertisers; Radio Expenditure Reports

from *Home Mechanics* and *Professional Rodeo Guide* (horse vans need tires, too), to sport books like *Field & Stream*, *Ducks Unlimited* and *Bass Masters*. More general audience ads appear in *Time*, *Newsweek* and *Omni*, among other titles, and some sports publications like *Sports Illustrated* and *Sporting News*. It targets some spot markets where tires make a big difference, as in the Snow Belt states. Its most mass-audience oriented ads, however, appear on network tv in sports and prime time slots. In addition, Goodyear is looking into buying more network radio in drive time than it already has.

Firestone Tire and Rubber, by all accounts, is pulling away from making tires and moving into the burgeoning services area with its Firestone Master Care centers. The company bought J.C. Penney's nearly 300 service centers in 1983 and some in the industry suspect it will no longer be making tires by 1990, a rumor the company has denied. The company has recently, however, closed one passenger tire–making plant and stopped that production arm at another.

Though the air has gone out of its ad expenditures in recent years, Firestone still ranks second in the replacement market with a 10% share. In 1981, LNA reports, the company put in $10.8 million, not counting newspaper co-op dollars, behind its ads. By 1983, that total had dropped to $6.2 million for measured media. 1984's figure showed a further decline to slightly more than $4 million, largely concentrated in magazines.


MICHELIN. BECAUSE SO MUCH IS RIDING ON YOUR TIRES.
MICHELIN

Babies: more important than dollars.

Sears, Roebuck is ranked third in actual sales, close on the heels of Firestone with a 9.5% share. The company markets the popular Allstate line. (See "Services and parts.")

Michelin Tire, which ranks third among tire makers, has seen its share drop somewhat over recent years to 7% in 1984. One of the prime developers of the steel-belted radial in the 1970's, the company had the upper hand over its competitors for a number of years. Now that radials are made both domestically and overseas by others, the Michelin Tire Man has his work cut out for him.

Despite the setback, says director of marketing Hubert Hannezo, Michelin is not considering any sort of diversification. Instead, Hannezo says the company plans to push for even more brand awareness with consumers, making sure they don't stop linking the name with "quality."

The company's 1984 ad budget, as tracked by LNA, totaled $12.7 million, a jump from the 1983 total of $4.8 million. New this year is the "Baby"

For Goodyear, the medium is the message.

campaign from Doyle Dane Bernbach, shown on network television. Its message, says Hannezo, is "that the tire is one of the most important parts of the car." Featuring (what else?) babies, it points out that considerations of safety should be uppermost in the tire-buyer's mind, not price. It is a message that is in keeping with Michelin's on-average higher price and the company's rare use of promotions like coupons or rebates. The company feels the latter, says Hannezo, deteriorates image.

Michelin targets buyers who are 25- to 54-years-old and earn at least $30,000 annually. Though its ads skew more to men, Hannezo says, "Our philosophy now is to have a message that can be understood by both sexes." As a step in that direction, the company is sponsoring more sporting events that women enjoy, tennis and golf, for instance.

Michelin's print campaign goes into a number of business books — *Money*, *Business Week*, eg., in addition to more general interest books like *Time*. It also buys space in sports books, and runs in national papers like the *Wall Street Journal* and *USA Today*. The company does a lot of co-op newspaper advertising in local markets and a small amount of co-op tv. It also runs a spot for its all-weather tires on cable's Weather Channel.

According to Ron J. Caporossi, vice president of marketing services at **B.F. Goodrich,** "Advertising plays a subservient role in the marketing mix. While image is important to generating some [products'] sales, that's not so true with tires." Goodrich is the fourth-ranked replacement tire marketer, with a 4.5% share in 1984.

The company has stopped trying to compete with a broad line of tires, halting production of its farm, off-road and radial heavy-duty truck tires. Instead, it's concentrating marketing efforts on its high-performance lines. Some analysts think it may be getting ready to exit the tire-making business.

Caporossi says Goodrich's advertising concentrates on auto-oriented magazines like *Road & Track*, *Car & Driver*, *Hot Rod* and *Motor Trend*. But the company is putting more money into tv because motor sports are receiving more air time. Goodrich also narrowcasts on cable, aiming at fans of shows like ESPN's *Speed Week*. The company does some newspaper advertising through it dealer co-op program. Caporossi says LNA's 1984 total of $5.1 million is slightly low and that Goodrich will be boosting its spending somewhat in 1986.

Though **Uniroyal** claimed a 3.5% share of the new replacement market in 1984, the company's managers recently put its tire business up for sale. In a recent buyout, they took Uniroyal private and they need to generate cash to pay for the purchase. The company had already given up making truck and

Model of the 1984 Retail Automotive Aftermarket

Estimated Retail Sales ($ Millions) By Type of Product and Type of Retailer*

	Total	Car Dealers	Gas Stations	Repair Shops	Franch. Specialists	Auto Chain Stores	Tire Stores	Mass Mdsrs.	Jobber-Retailers
Services	$33,748	$ 9,577	$3,311	$12,670	$5,818	$ 447	$ 952	$ 650	$ 323
Replacement Parts	29,561	7,131	3,449	5,478	2,465	4,192	870	3,136	2,840
Tires & Retreads	9,278	56	839	48	—	1,358	5,072	1,840	65
Batteries	3,075	37	257	74	—	977	311	943	476
Accessories	6,591	650	20	18	—	2,960	745	1,911	287
Chemicals	3,014	284	341	47	4	1,183	28	962	165
Motor Oil	3,162	53	1,207	91	248	640	53	711	159
Total	$88,429	$17,788	$9,424	$18,426	$8,535	$11,757	$8,031	$10,153	$4,315
	100.0%	20.1%	10.7%	20.8%	9.7%	13.3%	9.1%	11.5%	4.9%

*Includes sales of installed products, services and over-the-counter sales of parts and accessories to do-it-yourselfers.

Source: Frost & Sullivan, Inc.

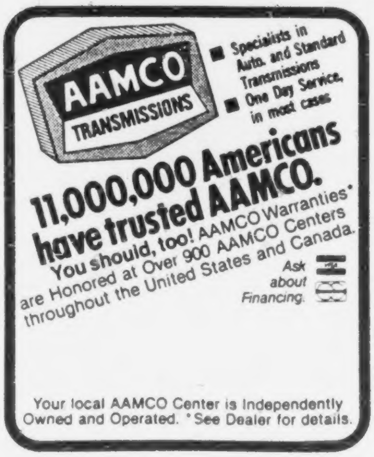
industrial tires, and has been concentrating on the passenger segment.

Uniroyal has three new people in its top marketing slots. Assuming it's business as usual in the future, a company spokesman says it is reviewing its marketing strategy from top to bottom. "All I can say is that what we've been doing, we're not going to be doing any more."

LNA reports a 1984 budget for the company of $5 million. It traditionally does very little television advertising, and then only sports programing. While enthusiast books get part of its ad budget, it puts a lot of its dollars towards newspapers. Uniroyal is considered an industry leader in using promotions. As for 1986 marketing plans, the spokesman comments: "The new guys are sort of throwing all the balls in the air. We don't quite know how they'll land."

Sixth-ranked **General Tire & Rubber,** with a 2.5% market share, steadily reduced its ad budget from $6.5 million in 1981 to $341,400 last year, according to LNA. That may change though as the company has new products and a new campaign to showcase. It also has a new agency — Hesselbart & Mitten — to help do it. D'Arcy MacManus Masius resigned the account after 69 years.

According to Raymond Evans, senior vice president of sales and marketing, General Tire is changing direction. It is trying to "go from one of being a staid, laid-back follower" to a company with a more action-oriented image, one known for its performance tires.


AAMCO TRANSMISSIONS
■ Specialists in Auto. and Standard Transmissions
■ One Day Service, in most cases
11,000,000 Americans have trusted AAMCO.
You should, too! AAMCO Warranties* are Honored at Over 900 AAMCO Centers throughout the United States and Canada.
Ask about Financing.
Your local AAMCO Center is Independently Owned and Operated. *See Dealer for details.

Growth from more complex gears.

Evans says General Tire plans to continue offering a full range of tires, from the smallest passenger tire to the 10-foot diameter tires it makes for earth movers. The bulk of their advertising, though, will be behind their high performance passenger-car lines. Print ads for these tires are placed into books like *Car & Driver* and *Road & Track,* as well as *Hot Rod* and *Mechanics Illustrated.*

Bridgestone Tire has shown sales increases over the last couple of years but, says a spokesman, the company realizes that brand awareness for its tires is still low. The company, ranking among the top world tiremakers, has a mere 2% share of the U.S. market, where it has been a presence since 1967. It has only marketed itself very actively for the last five years and is still working to build up its distribution network.

Though LNA reports a $3.5 million budget for the company in 1984, the spokesman says that is low. Advertising dollars were increased in 1985 and will go up again for 1986, to within the $6 million-$10 million range, he says. These totals are exclusive of co-op arrangements, which are a considerable addition.

Bridgestone did a lot of spot radio advertising in 1985, far less local tv. Like a number of its competitors, the company is active in motor-sports sponsorships. It goes into some tire trade books — *Modern Tire Dealer* and *Tire Review,* for instance. The company also did a small amount of advertising in *Time* magazine and bought some co-op space in *Playboy.*

Services and parts

The entry of mass merchandisers into not only the replacement parts sector of the aftermarket, but also the service-center arm of the business is an important element of the aftermarket's change. Large retailers like Sears, Roebuck and K mart are powerful forces to be reckoned with.

One **Sears** network spot points to its auto centers and proclaims: "Here's where you get your confidence installed." The company says its "core" audience for its auto center advertising — mostly network tv spots — is the

Your Strongest Selling Arm
In Pennsylvania's 3rd richest market

$552 million in auto dealer sales
THE MORNING CALL

The four-county Allentown-Bethlehem MSA. Just a short drive north of Philadelphia, you'll find this $6.8 billion market on your road map. A rich market not covered by Philadelphia-based media. Only The Morning Call delivers:

—57% daily coverage of 495,000 MSA adults

—66% Sunday coverage

—Penetration into five additional counties

—A C.P.M. far less than any other daily reaching into our circulation area

—Simply the most efficient vehicle to steer automotive sales in your direction

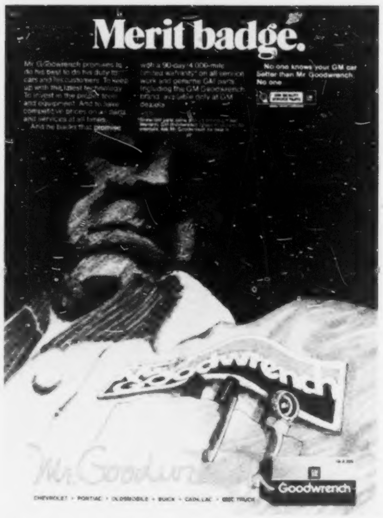
The Morning Call
Allentown, PA
(215) 820-6634
Represented by
Cresmer, Woodward, O'Mara & Ormsbee, Inc.

30 million consumers who hold Sears credit cards. LNA reports it spent over $20 million in 1984 to reach this audience as well as the general population.

Sears puts its name on several lines of products made by other companies and advertises them in spots that mention a number of its auto products. Even with a shared-spotlight arrangement, though, the Sears Diehard battery is said by some analysts to hold a 40% share in its market and Allstate tires are ranked the third best-selling U.S. Tire. The company makes Steady Rider shocks and Muzzler mufflers, as well.

Network spots for these products and the service centers air during sports shows and prime time, as well as during some late-night shows like *Saturday Night Live*. Print receives a small portion of Sears' automotive dollars, though some of its specialty items — like RV batteries — go into a selection of buff books.

In terms of merchandising, Sears has revamped its auto parts departments and reorganized items so that related merchandise is displayed together. The waiting areas of its automotive shops have been spruced up. Menu boards list the services available and how much they cost. The shops also installed key drops, making it possible for a customer to drop off his car for servicing even when the shop is closed.



Nuts-and-bolts from GM Parts.

About two-thirds, or 1,700, of **K mart**'s stores have auto service centers on the premises. But, according to Robert Bleakly, senior buyer/automotive parts and accessories, only 10% of K mart's total ad budget goes to advertising service on network tv. The company is making an effort to aim those ads, however, to a male/female audience: They are "more generic than the usual greasy-fingers approach." Its service centers are mainly advertised in newspapers, he says, where they run ads for specials.

The company's parts ads are incorporated into its corporate tv ads, and are also advertised in a wide range of magazines, including *Field & Stream, People, Popular Mechanics* and *Popular Science*. Parts are also given a heavy run in newspapers. Bleakly says that LNA's 1984 figure of $8.6 million is "substantially too low," but that the actual figure has and will remain fairly steady.

Chains of specialty shops, whose marketing strengths lie in lower prices and speedy service, are an area of future growth for the aftermarket. In this arena, **Midas International**'s Midas touch is at least partly attributable to its huge advertising expenditures — $46 million, according to parent-company IC Industries' annual report. Though the bulk of that is spent on spot tv, Radio Expenditure Reports show over $10 million going for radio spots. The company and its 1,415 franchisees have good reason to feel the money is worth it. They control 25% of the specialty store segment of the market, a portion that has grown 50% over the last six years, according to *Muffler Digest*, a trade book.

Midas, which also installs parts like brakes, shocks and suspensions, pulled off a marketing coup over the last couple of years by offering low-priced "economizer" mufflers, guaranteed for one year. Now, says one observer, the company is focusing less on price in its "Trust the Midas touch" ads, putting more emphasis on quality and reliability.

Aamco Transmissions's 900 outlets just deal in transmissions — and their more than 300 moving parts. The growing number of front-wheel drive cars (a fuel-economy measure) and the increasing complexity of transmissions

Serving The Greater South Bend Area

South Bend Tribune

Test Marketing expert states:

"SOUTH BEND AMONG 8 CITIES RANKED THE MOST AVERAGE OF THE AVERAGE"

According to a leading ad agency's Senior Vice President, Media, "Some cities may have been overworked as test markets...and could have become jaded...and therefore display atypical reactions.

"And the census data show dramatic population changes in others.

"As a result," he continued, "we dropped 17 cities from our list of recommended test markets, added 18, and still name South Bend among the 8 cities we consider the 'most average of the average' – a sort of Middle America honor roll of test markets."

For the facts and figures that make South Bend the ideal test market for your product or service, write now or call for your copy of the *South Bend Tribune's 1985 Market Data book.*

Albert E. Petersohn, General Advertising Manager, South Bend Tribune, South Bend, Indiana 46626 • 219/233-6161 • Represented Nationally by Cresmer, Woodward, O'Mara & Ormsbee, Inc.

Last year, NAPA sold two auto parts for every man, woman, child... and dog in America.
All the right places
All the right parts
NAPA
All the right parts in all the right places.

NAPA's whole is the sum of its parts.

INTRODUCING
THE NEW MONROE
GAS LOAD-LEVELER
STABILIZING UNIT
MONROE

Monroe's futuristic ad for shocks.

themselves have meant continued growth for this company. According to Aamco, 16% of all cars on the road will need some kind of transmission work next year.

Charles Jacoby, Aamco's director of advertising, says the company is one of the top ten Yellow Pages advertisers in the country. The company will spend at least $4 million on YP ads in 1986, he says, and about $18 million on spot tv and radio ads next year. "Advertising is critical for us because the market is so small at any given moment," comments Jacoby. Cunningham & Walsh has created two new creatives for their tv ads. Based on the theme of dependability, they highlight the fact that Aamco works on a lot of municipal fleets — fire trucks, police cruisers, etc.

General Motors parts and service division, which supplies only dealers of GM cars, spent $15.4 million on advertising in 1984, according to LNA. That may change, though, as GM began airing a new campaign, created by D'Arcy McManus Masius, in October. "Its philosophy is the same as the Mr. Goodwrench ads," says Samuel McAllister, GM Parts' director of marketing and forward planning. "But we found that this guy who always smiled and didn't have a spot on his clothes or any dirt on his hands wasn't believable. The ads practically showed customers throwing roses out the [car] window as they drove away."

Though it is still identifying itself with Mr. Goodwrench, the company is canning the "Get that great GM feeling" slogan and substituting: "No one knows your GM car better, no one." McAllister adds that there will now be one idea per commercial: one ad emphasizes the mechanic's training, for instance, and one highlights the equipment he uses. Five new spots will be debuted over the course of the year. A range of broadcasts will be bought into: the World Series spot buys for golf, football and the *Wide World of Sports* for instance, and auto racing on ESPN.

Even the print ads will be different. With the words "Designer Label" printed boldly across the top of each, they emphasize that a GM part is part of a total GM auto system. *Newsweek*, *People*, *Reader's Digest*, *Working Woman* and *Outdoor Life* are among the print titles the ads will appear in.

National Automotive Parts Association (NAPA) is the biggest example of another industry-shaping trend: the banding together of warehouse distributors and jobbers. By establishing themselves as volume buyers and forming marketing programs, they are able to compete with the larger players in the industry.

NAPA comprises 6,500 parts stores and sells to every type of outlet from service stations to DIY's to Sears to municipal fleets, says president Bob McKenna. The organization is trying to raise its level of visibility and image of quality through its ads, he explains, so that seeing a NAPA sign at a dealer will be like "seeing the *Good Housekeeping* seal or going into a sewing center and seeing a Singer sign — you'll figure these people can't be all bad."

NAPA will be going into *Reader's Digest* next year in an attempt to speak to a wider audience. It also advertises in *Sports Illustrated* and outdoor books like *Field & Stream*. McKenna says they also go into "screwdriver" books (i.e., *Popular Mechanics* and *Mechanics Illustrated*) and buff books like *Motor Trend*. NAPA's $3-$4 million radio budget is spent on spot markets, as is its approximately $5 million newspaper budget. The Association does do some national tv advertising in some prime time slots, and late and early fringe. McKenna says that the

Champion: profits aren't sparking.

combination of local and national advertising probably puts NAPA's total budget in the neighborhood of $20 million.

Of companies that specialize in supplying a narrow range of products to stores, the **Monroe Auto Equipment** division of Tenneco Automotive is kicking up its 1986 ad expenditures significantly from the 1985 level, probably up into the $6-$10 million range. According to Ron DeFeo, vice president of marketing, "We're going back to developing an image over boosting a particular product." Monroe supplies about 50% of the shock absorbers and struts sold in the "ride improvement market," he says.

The market is in transition now, as sales of shocks are declining and sales of the more expensive, better-riding struts grow at about 35% a year. And, says DeFeo, another innovation, the electronic suspension system, is about to make its influence felt. This "smart" system allows the driver to set the car for a range of rides — hard to soft — and have the system constantly adjust the ride.

"The vast majority" of Monroe's advertising budget will be spent on television, a change from the past when it went into a variety of buff books as well as onto network radio. It also appeared on cable — pro-bowling, wrestling and boxing — and on some network news and sports shows. He says the precise media strategy has not been decided on yet, but predicts that the average consumer will see three to four more Monroe spots in 1986 than in 1985. The company plans to continue its "very lucrative" co-op newspaper plan that, in past, totaled 70% of the network tv budget.

"Our biggest marketing hurdle is the apathy on the part of the consumer," complains Dick Kudner, vice president, advertising and merchandising at **Champion Spark Plug.** "They think they can run their car forever without maintaining it."

With a 40%-42% share, according to Frost & Sullivan, Champion is the market leader in a plug market that's lost its spark. One culprit is the plugs themselves: New copper cores make them last longer and work better. The switch from leaded to unleaded gas in the nation's cars has hurt, too, because leaded caused more frequent plug changes. The company's "Nothing sparks like a Champion" slogan now appears in ads that point out how a car that starts well promotes fuel economy and a cleaner exhaust.

Kudner says that current car design makes it easier to change your plugs: "You used to open up the hood and it looked like spaghetti under there." With about 50% of all drivers now changing their own plugs, the DIY market is important to them and so is building a consumer franchise. The company's ad budget came in at about $6 million for 1985, he says, and went towards network tv (*Wide World of Sports*, pro and college football, eg.), spot radio and co-op newspaper advertising. The company also produces an entire car care newspaper supplement. As for magazines, the Champion campaign runs in books like *Field & Stream* and *Sports Afield*, he says, because they have high DIY readership. Their target audience for spark plugs is 80% male.

Carol Hall

If you
have a message
for people who travel,
Home & Away
will deliver it.

HOME & AWAY
AAA

Home & Away Magazine delivers your important travel messages to over 1,400,000 loyal AAA subscribers in nine mid-American states, and an astounding 70.4% tell us they never miss an issue.

Of our 1.4 million, 39.4% travelled on a commercial airliner during the past 12 months. An impressive 22.3% of our households have one or more valid passports.

And why is it these globe-trotting H&A subscribers have the time and money to travel? A remarkable 75.7% no longer have children living at home. This means more discretionary income to spend on luxuries.

When you need a cost-efficient buy in a travel magazine, and you can't afford to waste circulation, test your ads with us, We deliver!

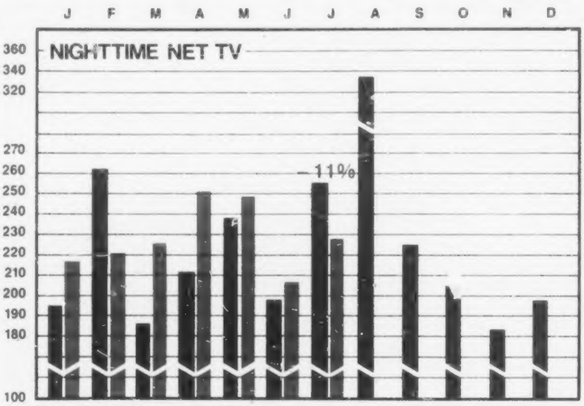
Ask your agency about us.

NYC · Robert Bernbach & Associates (212) 696-4650
CHICAGO · Robert A. Rose & Associates (312) 558-1196
LA · Joleen Parham Associates (714) 556-0832
MIAMI · The Ohmeis Company (305) 391-8570
LOUISVILLE, KY · Dick Carlin (502) 425-5337
MINNEAPOLIS · Lou Reeve (612) 890-2500
CANADA · Multi-Midia Sales (416) 782-0320
National Advertising Director · J.D. Ayres (402) 390-1000

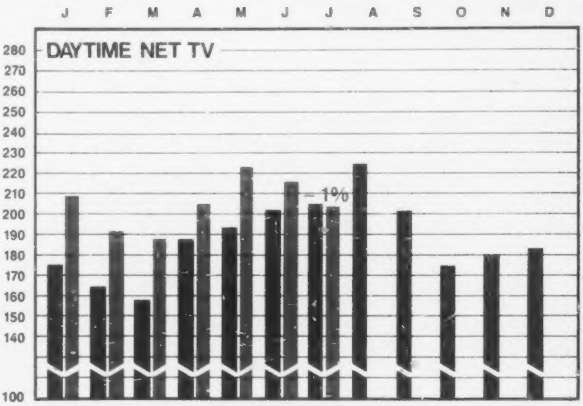
Source: Home & Away Subscriber Survey/March 1985
Mark Clements Research Inc./New York

MEDIA COST INDEX

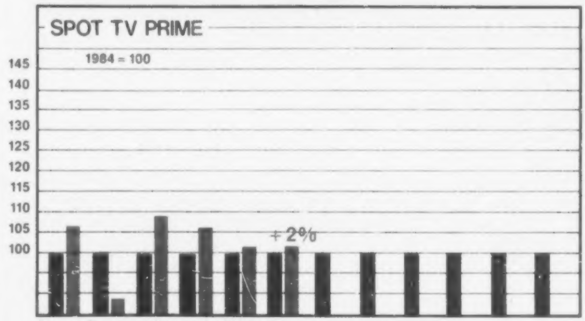
Black bars index for 1984; color bars 1985; base year 1977



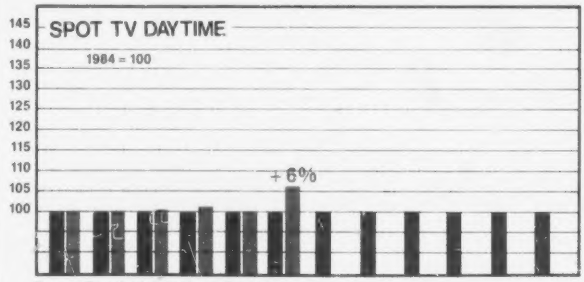
Source: Broadcast Advertisers Reports



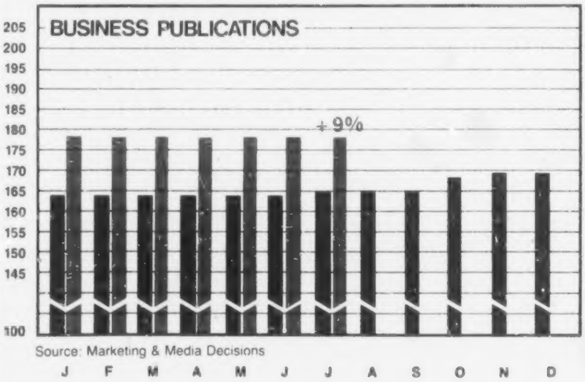
Source: Broadcast Advertisers Reports



Source: Broadcast Advertisers Reports



Source: Broadcast Advertisers Reports



Source: Marketing & Media Decisions

The summer rerun doldrums finally caught up with **television** advertising rates in July, driving **nighttime network tv** rates down by 11% and **daytime network tv** rates down by 1%.

It should be remembered, though, that this data, from Broadcast Advertisers Reports, reflects some extraordinary rate increases by tv in 1984. July of last year saw nighttime rates shoot up by 43%, while daytime rates increased by 21%. This year's rates were thus considerably above those of 1983. The rate decreases also continued the roller coaster ride that tv has been on all year, with nighttime rates decreasing by as much as 16% in February and going up by as much as 19% in April.

Elsewhere, rates generally held steady at the increases they have seen for the last few months. **Outdoor** rates, for instance, were up by 7%, just as they have been every month this year, according to the Institute of Outdoor Advertising.

Turning to print, the only real change was in **newspapers** which were up 8% in June, according to the Newspaper Advertising Bureau. **Consumer magazines** held at the 8% increase in rates they have had since February. This figure is based upon the composite total of a four-color page in 40 magazines, as compiled by the Magazine Publishers Association.

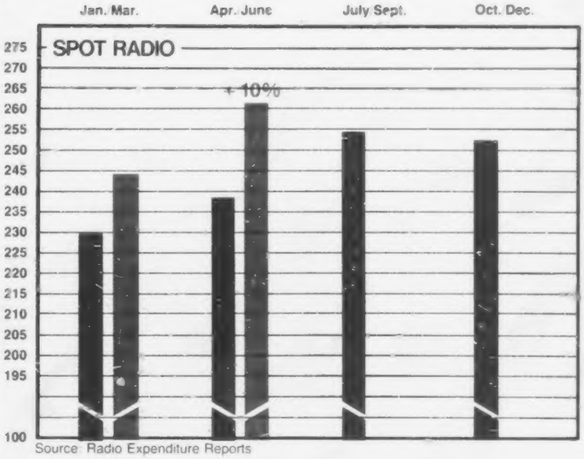
Business publications were up 9% in July, the same rate they were at for the entire second quarter of this year.

National Sunday magazines were up by 11% for the fifth straight month in July, a figure that will probably hold steady until September, when the replacement of *Family Weekly* with *USA Weekend* should make a difference.

Spot radio and **spot tv** rates are compiled on a quarterly basis, and thus are not available yet for July.

MEDIA COST INDEX (continued)

Black bars index for 1984; color bars 1985; base year 1977



SPOT RADIO

Source: Radio Expenditure Reports

The Media Cost Index reflects trends extracted from available sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

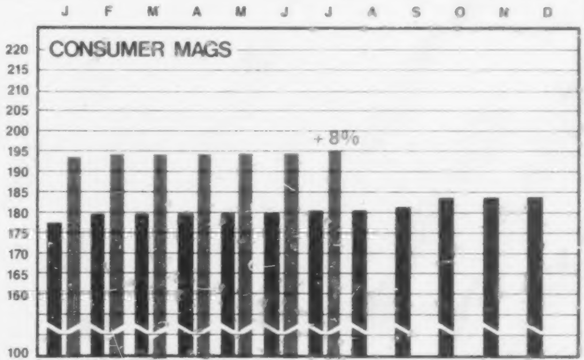
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

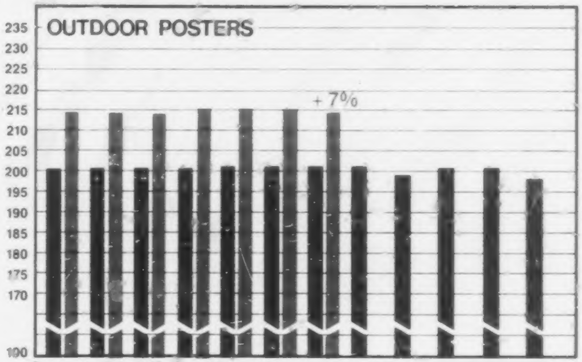
Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year 1977. Percent change shows rate of change from the same month in previous year.



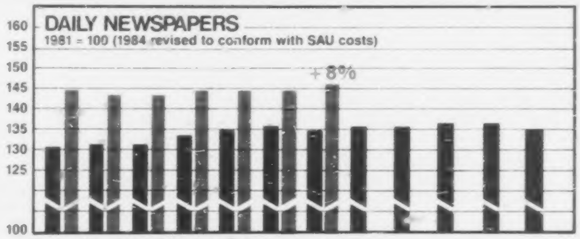
CONSUMER MAGS

Source: Magazine Publishers Assn.



OUTDOOR POSTERS

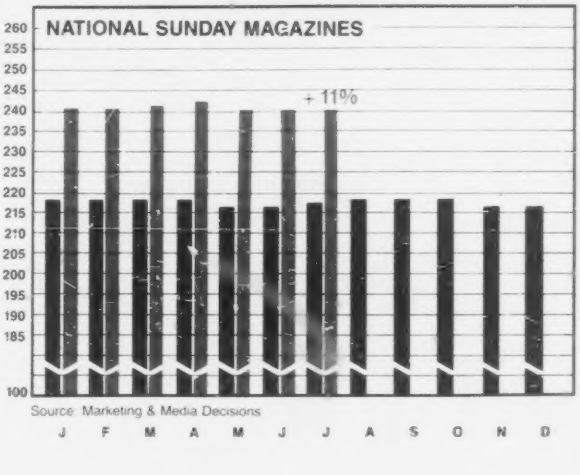
Source: Institute of Outdoor Advertising



DAILY NEWSPAPERS

1981 = 100 (1984 revised to conform with SAU costs)

Source: Newspaper Advertising Bureau



NATIONAL SUNDAY MAGAZINES

Source: Marketing & Media Decisions

BASIC CABLE:

Continued from page 60.

results were extraordinary versus what our results would have been using the a nonsegmented approach; a 30%-50% higher response rate."

Group W, a subsidiary of the Westinghouse Corporation which is currently contemplating selling off its cable division citing lack of profitability, is attempting to counter the tendency of drop-off in pay subscription and cutbacks in multipay packages. It is aggressively pushing basic to keep retention rates high and going after 'resisters' to increase its basic-to-homes-passed ratio. In its 135 systems (3.8 million homes passed, 2 million subs), the company is employing a program-specific strategy to retain subscribers and attract new ones.

> **"There are tremendous attitudinal problems about tv . . . Our task is to convince people that cable is not for couch potatoes."**
>
> SCOTT WILLS
> president,
> Wills & Evans

To inform subs and potential signees, Group W sends out monthly marketing and promotional kits which systems can use in print, radio and direct-mail ads to highlight specific program titles. This approach, particularly valuable for customer service reps, will address "what we as an industry on whole have done a poor job of — telling people what shows they can watch on basic," claims Richebourg.

In addition, Group W relays over satellite feed on a monthly basis a master reel of tv spots that are cross promotions highlighting shows on the basic and pay channels. This reel also helps local systems achieve their objective of no unsold avails, says Richebourg. "In all our systems that have local insertion capabilities (about 75% of the systems), they can also run those spots for local avails, which help in retention when subscribers know what is on the channels. And it will also generate new subs, who by word of mouth hear this kind of information."

This fall the company started a direct-mail, direct-sales campaign, customized for each of its systems, that is aimed at basic acquisition through the highlighting of program services. On the operations side of marketing, Group W established a relationship with Donnelley Marketing to obtain segmented lists for target approaches.

Responsible for the marketing strategies of its 37 systems in 18 states, (1.3 million homes passed, 900,000 subscribers), United Cable Tv's Kovacs relies on his packaged goods experience to perform situation analysis, which, he claims, "is the basis of any marketing plan." That involves identifying what the sub-groups are, which are the most likely or least likely to take the service, using census tract and block information, secondary sources like Nielsen, focus groups and segmentation studies for each system.

In one test of market segmentation, Kovacs targeted seven cable systems in the San Francisco Bay area and identified on a census block basis those households which fit the profile of pay subscribers but who were not current cable subs. United offered them free installation, free cable for a month plus a free month of Showtime. The result: a 17% acceptance level, significantly higher than the 3-5% acceptance rate using a non-differentiated campaign.

In its Boise, Idaho, system, United surveyed cable's high-interest segment and developed the system's first comprehensive marketing strategy: a direct-mail, telemarketing and radio campaign which included a sweepstakes offering of a pre-Christmas prize of a several thousand dollar gift certificate to a local department store. The task required setting up a sales force structure and incentives: $7 a unit sold plus a prize to the highest seller. In three weeks, 7,500 units were sold representing 4,500 subscribers, or 9% of the targeted audience.

An MSO which is taking a different tack to attract subscribers and retain existing subs is using VCR's as bait. Jones

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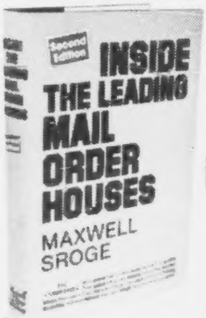

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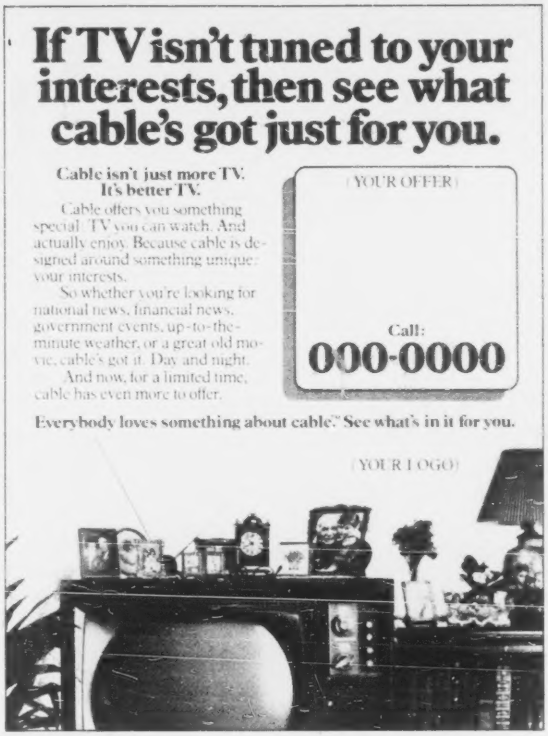
Cable's message in this industry advertisement: We're not just more tv.



If TV isn't tuned to your interests, then see what cable's got just for you.

Cable isn't just more TV. It's better TV.

Cable offers you something special: TV you can watch. And actually enjoy. Because cable is designed around something unique: your interests.

So whether you're looking for national news, financial news, government events, up-to-the-minute weather, or a great old movie, cable's got it. Day and night.

And now, for a limited time, cable has even more to offer.

(YOUR OFFER)

Call:
000-0000

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(YOUR LOGO)

Intercable offered, on a test basis, a VCR/cable package to 50,000 of its subscribers in four regions. For an average monthly price of $44.95, a subscriber can receive basic cable, plus two pay service, plus a VCR. "We were motivated by the proliferation of VCR's which raised questions in the cable operators' minds about the effect of VCR's on cable. We came to the conclusion that we are better off having the VCR in the cable home to aid in retention and to keep the viewer satisfied," says marketing director Scott Campbell. "After all we are in the entertainment business and we should take a look at whatever new technologies come along for potential integration into our marketing."

The striking down of the "must carry" law will be of particular benefit to those cable systems with limited channel capacity in its freeing up of space for basic services. The news of the law's rescinding is met with enthusiasm by the basic networks who are hustling for recognition of their individual worth. "The waiver of the must-carry will open up space as cable operators shed duplicative channels," says Lifetime's Lawrence Rebich, vice president of marketing. "There will be no reason to carry multiple affiliates when you really only need one. That leaves open cable-originated programing. Most of the systems that will benefit will be the 12-channel smaller systems, which still abound nationally. It's not clear yet what the full opportunity for basic networks will be."

But what is clear is that more channel space means more programing to lure non-subscribers into the cable universe. And with sophisticated marketing techniques and quality programing, basic cable could fulfill the cable industry's promise to the people.

Judith Reitman

November 1985
Index to Advertisers

Akron Beacon Journal 130
Architectural Digest 48A-B
BAR 133
Better Homes & Gardens 24A-D
Booth Newspapers 63
Boston Globe 59
Business Week 47
CBN 87
Chicago Sun Times 106
Chicago Tribune 112
Christian Science Publishing Society 124
Cleveland Plain Dealer 83
Columbus Dispatch 8
CNN 115
Cosmopolitan 88A-L
Country Living 43
Des Moines Register 53
Discover 28-29
Family Handyman 45
Fetzer Stations 131
Food & Wine 120A-B
Forbes 123
Fortune 101
Gannett Outdoor 65, 91, 129
Good Housekeeping 16
Harvard Business Review 96, 98, 100
Hearst Gold Buy 71
Home & Away 119
House Beautiful 61
Houston Post 104
Institute of Outdoor Advertising 111
Jet 13
La Opinion 126
Life 72-73
Magazine Publishers Association 50
Marketing & Media Education 125, 135-142
Maxwell Sroge Publishing 143
Michigan Living 93
Milwaukee Journal 81
Minneapolis Star & Tribune 18
Modern Maturity 77
Morning Call 114
Motorland 99
National Enquirer 7
Nation's Business 69
New Orleans Times Picayune 92
New York Times 53
New Yorker Cover 3
Newsday 94
Newspaper Advertising Bureau 109
NYPSA 117
Parade 31
Parents 21
People 23
Pittsburgh Press 102
Popular Mechanics 37
Prevention 15
Reader's Digest 41, 79
Scientific American 5
Seattle Times 12
Seventeen 85
Smithsonian 75
South Bend Tribune 116
Sports Illustrated 33
SRDS 90, 122, 132
Tacoma Newspapers 108
Time 9, 10-11
Travel & Leisure Cover 4
Tulsa World/Tribune 36
TV Guide 3
Us Cover 2-Page 1
USSPI 67
Vogue 56A-B
Wall Street Journal 34-35
Wall Street Journal — Radio 103
Wall Street Journal — Television 26
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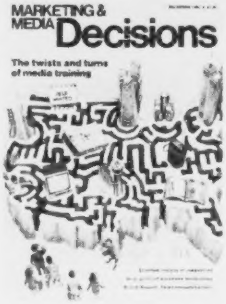
Scented inserts in magazines

New point-of-purchase technology

Brand Report: Telecommunications



CONTENTS

DECEMBER 1985, VOL. 20, NO. 15

Features

38 The twists and turns of media training
The media become more complicated each day, and some agencies are placing new emphasis on their training of media recruits. Others say all the training in the world can't make up for hands-on experience.

Ten agencies in five markets
demonstrate their different approaches to the media training challenge.

44 New York: Ogilvy & Mather, Grey
46 Detroit: Campbell-Ewald, W. B. Doner
50 Chicago: Burnett, TLK
54 Dallas/Ft. Worth: Tracy-Locke, Bloom
58 Los Angeles/San Francisco: Chiat/Day, Foote, Cone & Belding/San Francisco

62 Sizing up the Sunday magazine field
Changes in the category are viewed by many as exciting and long overdue. The players, however, prefer a more conservative reading.

70 Will "ads" undercut PBS underwriters?
The presence of "enhanced underwriting" spots in public broadcast may be a short-term solution with a long-term threat.

78 The smells that sell
Scented inserts are leading more and more fragrance marketers into magazine advertising, but the bloom may already be off the rose.

82 P-O-P and the electronic media
Several new in-store uses of the high-tech media are showing results where they count — at the cash register.

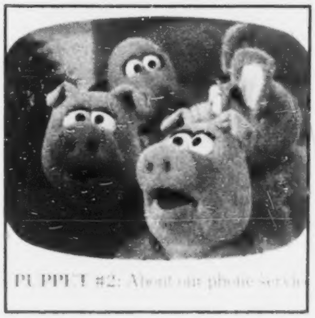
86 Where there's a Wills & Evans . . .
you'll find innovative cable advertising with a packaged goods flavor.

Focus on . . .

Dollars and scents
(Page 78)

Subscribers have the funniest way of reacting to basic rate hikes.

Getting cable noticed
(Page 86)



Telephone talk
(Page 99)

99 Brand Report 128: Telecommunications
The deregulation of the telephone industry has wrought confusion and opportunity. It has also created competition, and with it a whole new accent on marketing and advertising.

Departments

2 Focus on Marketing
6 Newsmakers
10 Futures
17 Print Beat
20 Campaigns
24 Homework
26 New Electronic Media
28 Direct Marketing
30 New in Media
32 Sales Promotion
36 D.C.
113 Broadcast Beat
116 Media Cost Index

As They See It

89 Mediology
Ed Papazian
90 Magazines
Dan Hodges
91 Television
Debbie Solomon
95 Newspapers
Laurie Davis

Cover illustration by
Michael Okamoto

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FUTURES

The feminization of public relations

More and more, the public relations person — that ubiquitous "company spokesman" — is likely to be a woman, according to a study done by *PR Reporter*, an industry newsletter.

Not only are jobs held by older men being filled, once they retire, by a growing percentage of women, but more young women are going into the profession than young men.

In 1978, just over one-fifth of the PR population were women. In 1985, that figure has risen to 40%.

And the trend is likely to continue. This past year, reports the study, about three out of every four entrants into the field between the ages of 25 and 29 were female. Of new recruits between 30-34, two-thirds were women.

Once the average age rises over 35 years old, however, men claimed the lion's share of jobs, reaching a peak in the 50-59 age range, with four out of five positions filled by men.

This gradual feminization of public relations has also meant a dip in the median salary for the profession as a whole. The average pay dropped from $44,000 for 1984 to $43,000 this year.

That slight dip in median pay does not, however, even hint at the remarkable disparity in average median salaries for PR men ($50,000) compared to those for PR women ($35,000). This disparity, combined with the large number of women now entering the field, is responsible for the overall drop in average salary.

The most frequent employers of female PR people are, somewhat surprisingly, banks and financial service companies. Hospitals rank third. Men are still the kings, however, at utilities and conglomerates, holding four out of five jobs, followed by consumer product and insurance companies, where they account for seven of every 10 PR professionals.

The study, which received 830 responses from the 4,000 initially polled (a 21% response rate), also shows that, by far, men have the most years of experience under their belts. Of women, 72% have ten years or less experience, while only 45% of men do. Only 12% of women have 15 years or more behind them, while 36% of the profession's men do. At each level of experience, male spokespeople earn more than their female counterparts.

Though salary differences by sex aren't fading, pay disparity by region is. In 1983, notes the *PR Reporter*, the difference between the highest and lowest paying regions was $4,000. That has dropped to $2,000 in 1985, with the Northeast and West paying most, with median salaries of $44,000, the study shows. And the South has risen again: That region was the lowest paying in all other years of the survey, but now pays more than the North Central region by $1,000. The latter's hard-pressed smokestack industries apparently are dragging down job opportunities and pay levels.

There's been a general upgrading in the education level of PR folk as well. While the highest percentage of practitioners (55%) have a bachelor's degree, the number with master's degrees has risen from a 1983 level of 28% to 33% in 1985.

More schooling now means more money in the PR game. Master's holders earn $4,750 more than someone with a bachelor's degree, and women with a master's pull in $6,100 more than women with just a bachelor's. A Ph.D. doesn't seem to rate as well as might be expected, drawing just $1,250 more annually than PR staffers with a master's. Still, it's progress: In 1983, Ph.D.-ers earned less than a colleague with a master's.

In this image-conscious world, the job market is good for public relations aspirants. While 16.6% of companies report that they're cutting down on PR hires, another 27.6% say they're taking on more professionals to deal with the outside world. The size of the average PR office is small, though. About one-fifth of the respondents were from one-person offices. Fifty per cent reported staffs of three or fewer workers, and 84% came from offices or departments with 10 or fewer PR staffers.

Public Relations Salaries by Age— Comparison of Men & Woman

	1985 Median Salary			
Age Groups	**Total**	**Men**	**Woman**	**Difference**
24 or below	$23,500	*	*	
25-29	28,100	$27,500	$29,800	– $2,300
30-34	35,020	38,050	34,450	– 3,600
35-39	40,000	44,800	38,050	– 6,700
40-49	49,550	53,000	36,000	– 17,000
50-59	54,550	58,850	33,850	– 25,000
60-64	44,850	50,200	36,400	– 13,800
65 or over	*	*	*	

*Sample too small *Source: PR Reporter*

HOMEWORK

Whatever turns them on

Surprise! Women think about money more than sex, and even derive greater pleasure from money, according to a national study, "Americans and Their Money/1985."

The third annual survey, sponsored by *Money* magazine and conducted by Lieberman Research of New York, polled a national sample of 2,491 adults who are the main financial decision makers in their households. Men make up about two-thirds of this poll.

Public Attitudes On The "Flat Tax" By Demographic Characteristics

	June 1985				September 1985			
	For	Against	No opinion	For vs. against	For	against	No opinion	For vs. against
Total	31%	15%	54%	+16%	32%	20%	48%	12%
Household Income								
$35,000 and over	42	22	36	+20	40	32	28	+ 8
$25,000-$34,999	34	20	46	+14	36	21	43	+15
Under $25,000	25	11	64	+14	30	17	53	+13
Age								
Under 35 years	26	16	58	+10	32	19	49	+13
35-49 years	35	18	47	+17	32	23	45	+ 9
50 years or more	34	11	55	+23	33	20	47	+13
Sex								
Men	36	15	49	+21	36	21	43	+15
Women	24	13	63	+11	26	21	53	+ 5

Source: Money Magazine.

Interesting highlights of the study include:

- Money and sex are equally dominant in men's minds, but money is much more prevalent with women.
- Women consider themselves better money managers than men, and a lot of men agree.
- Two-thirds of the women surveyed say they would lend money to a best friend, compared to three-quarters of the men.
- Women usually carry less cash than men. The averages are $29 for women and $52 for men.
- Three-fifths of both women and men pick "working hard" as a path to wealth. However, women choose "winning a lottery" or "inheriting money" more than men. Men favor "inheriting in real estate," and "owning your own business." Women display more faith in saving as a path to prosperity. They pick the option "saving all you can" more than men, 37% to 30%.

The study also found that President Reagan's tax reform program appears to be facing greater public opposition.

Nearly one-third favored the "flat tax" program; 15% were against it and more than half had no opinion about the program shortly after it was unveiled. But an update in September, using a smaller national sample, found that one-fifth were now against the program, while those who favored it rose only marginally to 32%, and 48% had no opinion.

A higher percentage also believe that the tax reform package is less fair than the current system. The scores showed 13% felt this way in June, with the number of those with negative feelings rising to 21% in September. Those who consider the proposed program more fair slipped from 30% to 27%.

Do advertisers bogey with tv golf spots?

You've got to be a golfer to blow half a Saturday glued to the slow drama of a PGA golf tournament telecast, right?

Not according to Golf Digest/Tennis. Research outfit Irwin Broh & Associates phoned more than 6,500 tv viewers during two four-hour golf telecasts — the Los Angeles Open and the Heritage Classic — and found that 52% of the tournament viewers hadn't played a round in the last year.

Golfers had opted for other programs in more than 33% of households surveyed. Those golfers who did watch were older and zapped more commercials (24%, as opposed to 8% for non-golfers). This didn't surprise the researchers since 46% of the golfer households reached had remote control devices.

To join the more than 100 companies which have received copies of the report, send a letter to Hugh White, vice president of research, Golf Digest/Tennis Inc., 488 Madison Avenue, New York, N.Y. 10022.

And then? White, for one, hopes golf equipment advertisers will size up the audiences of sports telecasts and ask, "Is television appropriate for high-ticket items?" Golf clubs, he points out, "tend to run between $300 and $600 for a set."

NEW IN MEDIA

Getting marketers into college

Even before sex, beer and roadtrips, what 12 million college kids want most is a high-paying career. As much as they like sports and sex, money is what they pine to read about — at least five times a year.

That's the composite drawn by the Collegiate Marketing Associates division of SBA Corp. (Students for a Better America), a serious sounding group that is banking on the success of *Student*, a new magazine for collegians who want jobs and their own credit cards. The lure for advertisers is the chance to plant brand loyalty early in the wish/buying cycle.

Unlike its fun-and-games competitor, *Dorm* (*M&MD*, January 1985, pg. 33), which sends its prank tales and sex tips to random student mailboxes in the hope of high pass-along, *Student* has done its homework. It now realizes that advertisers want to know where their pages are headed. The result: a direct-mail system that hand picks readers by age, year and major course of study from college and university registrar lists.

Advertisers will pay more than they might think to reach these kids. To be seen by 500,000 of them at 100 leading colleges and universities once (out of five issues a year), and to mix in with success stories, entrepreneurial tips and assorted general interest features, advertisers will be charged $12,490 for a four-color page. Discounts of 5%, 10% and 15% are available for three-time, six-time and nine-time schedules, respectively.

How compelling is career-oriented copy? Well, for publisher Stephen R. Edelen, it is compelling enough to spur a decision to enter the business world without leaving the campus. He is the founder of *CMA* and *Student*.

TeenAge, too, looks to college

In a change in editorial focus, *TeenAge* magazine, published nine times a year by Computer Publishing Services, Lowell, Mass., will set it sights singly on "college-minded women."

The change is the result of a readership study by TRU Research which showed that 86% of the readers were women and, of those, 76% either attend college or are planning to in the future.

When the magazine was launched four years ago, as *Highwire*, it sought to attract both male and female readers.

The new product will debut with the February 1986 issue.

Peoplexpressions to take off

PeopleExpress Airlines takes a step toward its competitors with plans to debut a monthly in-flight magazine, *Peoplexpressions*, in January. The magazine will be published by Halsey Publishing, which also puts out inflights for Delta and USAir.

In the PeopleExpress spirit, the magazine will feature particularly innovative individuals or organizations. The 64-page, perfect-bound book will also feature articles on leisure, destinations, life in America, personal finance, art, sports and history.

National ad rates for the publication are $10,854 for four-color and $7,590 for black-and-white. The in-flight also offers a "destination" rate for locally placed advertising. To qualify, advertisers have to run at least three ads.

Clarifications

On the chart that accompanied *Science books search for the right formula* (October 1985, pg. 53), the rate base for *Scientific American* should have read 550,000. Also, the figure supplied for *Spectrum*'s median household income was from their 1983/84 Erdos and Morgan study. The most up-to-date figure, from their subsequently released report, is $52,500.

One dance magazine's modern steps

Ballet News, a monthly publication of the Metropolitan Opera Guild, has unveiled a new look designed for a modern blend of elegance and animation. And since the magazine is about dance, editor-in-chief Robert Jacobson is looking for more dynamics in its pictures. The new format also pays less attention to specific personalities and more to dancers rehearsing and performing.

Editorial coverage has expanded at the same time. Additional coverage highlights fitness, how dancers make up for performing, and how they maintain stamina.

Ballet News *will use dramatic pictures to express the excitement of dance.*

SALES PROMOTION

The year in coupons, 1986

After several years of new experiments in couponing distribution, it looks like 1986 will in many ways be "back to basics." The 1986 schedule of available co-op couponing distribution offers advertisers an unprecedented 226 national issues covering all 52 weeks of the year (see chart, page 33). They range from only one newspaper co-op during the last two holiday weeks of December to five weeks in 1986 when most U.S. households will receive seven different couponing offerings via newspaper or mail.

A closer analysis of how all this came about is really a study of supply and demand in the strange world of promotional (non–commissionable) media. The primary criteria for promotion that has driven the development of new distribution methods are as follows:

1. Flexibility and frequent availability.
2. Broad national circulation, including smaller markets.
3. Quality four-color printing.
4. Low cost-per-thousand efficiency.
5. Retail tie-ins/merchandising.

Co-op inserts with shared space by several couponers began in the late 1960's. It didn't get into full swing though until about ten years ago, when three companies were in the business with minimal circulations of 18 to 20 million approximately six-to-10 times a year. All inserts were, at that point, on Sundays.

Meanwhile, because retailers still placed the majority of their advertising in weekday (Best Food Day) issues of the local newspaper, and because there was a need for shorter closing date coupon programs, Marketing Corporation of America introduced Newspaper Co-op Couponing. This was a black-and-white co-op ROP page (more or less) on Best Food Days. It wasn't long before a few entrepreneurial souls figured the colorful Sunday inserts and the merchandising opportunity of Best Food Day, when paired, were the best of both worlds.

So, a few former salesmen from Blair Marketing started Adserts, a four-color free-standing insert (FSI), primarily on weekdays. Their effort failed and MCA picked up the ball, making their company the fourth major factor in the FSI business and the only weekday FSI option.

COUPON DISTRIBUTION GROWTH

	Dist. (billions)	% Growth /yr.
1981	102.4	+ 13%
1982	119.5	+ 17%
1983	142.9	+ 20%
1984	163.2	+ 14%

Pursuing a goal of broader circulation, a small Kansas company called the Sunflower Group introduced black-and-white ROP newspaper co-ops in smaller, C and D county markets. A few years later the same organization expanded to major markets, directly competing with MCA's NCC program.

One less predictable entry came as a result of the acquisition of Advo System, a Hartford-based mass mailer, by John Blair & Co. Blair introduced Network Mail, a four-to-eight page outerwrap stuffed with retail circulars with a national circulation of over 48 million. Unlike the FSI's, Network Mail boasted coverage of many markets in excess of 90%.

In pursuit of the ultimate relationship of retail and manufacturer advertising, Blair/Advo promoted tie-ins and potentially improved feature activity. Blair set out to produce more Network Mailings than Blair Inserts in 1985, but ended up with less Network Mail than planned, and felt the need to add insert dates.

In 1986 the situation has reversed itself. According to John Blair Marketing's new chairman, Ed Fuhrman, the company will run 20 Sunday newspaper FSI's and only 14 Network Mail dates (six fewer than 1985).

Donnelley Marketing continues to be the major factor in co-op direct mail with their Carol Wright envelope scheduled nine times in 1986 with a distribution in over 350 markets for a 30 million circulation total. Carol Wright's envelope offers one marketing opportunity that the FSI's can't — insertion of small, free-sample packets for instant coffee, shampoo, etc.

However, direct mail, which traditionally has been the highest cost per thousand couponing media, is coming under close scrutiny. This is because direct-mail redemption rates seem to have come down over the last few years. According to A.C. Nielsen, national averages for direct-mail coupon redemptions were 11.6% in 1981, but fell to 8.1% in 1984.

Certainly the most optimistic and competitively aggressive plan for 1986 comes from the NCC division of MCA, up in the nation's unofficial capital of sales promotion, Westport, Conn. Their first major move was to switch their newspaper inserts from Best Food Day to Sunday, meaning, of course, that they would be giving up their weekday advantage over, and most notable difference from the other three FSI's: Valassis, Product Movers and Blair.

There were a lot of advantages to the weekday position. According to their own literature, 80% of all supermarket sales occur Wednesday to Saturday and 66% of all retail advertising runs on Best Food Day.

But weekday inserts had problems. Many major papers like the *New York Times* and *Daily News* couldn't run them on weekdays, so New York area product and promotion managers viewed MCA's inserts in the same light as the others. But more importantly, Nielsen's 1984 report showed weekday FSI redemption rates at 4.2% versus 4.5% for their Sunday counterparts. Additionally, *Progressive Grocer*'s 1985 report on grocery shopping shows Sunday becoming more popular, doubling from 5% to 10% in only a year.

The 1986 schedule of available co-op couponing offers an unprecedented 226 national issues throughout the year.

Futhermore, for a key growing segment of the population, working women, Sunday ranks as the third most popular shopping day, behind only Saturday and Friday.

NCC's total package for 1986 offers advertisers the ultimate in flexibility — black-and-white space 52 weeks a year in up to 938 markets, with a total circulation up to 65.2 million, or three out of four homes in America.

It appears at least that the supply side of the industry is bullish on couponing for 1986 and beyond. What about the manufacturer and the retailer? Only time will tell, but optimistic planning is, more and more, reaching for ways of standing out from the crowd with more creative overlays and group promotion spectaculars while finding ways to be more efficient by using lower face values or seeking compatible partners to share costs. *Russ Bowman*

1986 SCHEDULE OF NATIONAL CO-OP COUPONING

	FREE STANDING INSERTS				ROP NEWS		DIRECT MAIL		TOTAL
WEEK OF	Valas	NCCSun	ProMov.	Blair	NCC	Sunfl	CarWrt	NetM	
1/5	X	X			X	X	X		5
1/12	X		X		X	X		X	5
1/19		X		X	X	X			4
1/26	X		X		X	X			4
2/2	X	X			X	X		X	5
2/9		X	X	X	X	X			5
2/16	X				X	X			3
2/23		X	X	X	X	X			5
3/2	X		X		X	X	X		5
3/9		X		X	X	X			4
3/16			X		X	X		X	4
3/23	X	X			X	X			4
3/30				X	X	X			3
4/6	X	X	X		X	X			5
4/13				X	X	X	X		4
4/20		X	X	X	X	X			5
4/27	X	X			X	X		X	5
5/4		X		X	X	X	X		5
5/11	X		X		X	X			4
5/18	X	X	X	X	X	X		X	7
5/25					X	X			2
6/1				X	X	X			3
6/8	X	X			X	X			4
6/15			X	X	X	X			4
6/22	X	X	X		X	X	X	X	7
6/29	X	X	X		X	X			5
First Half Total	14	15	13	11	26	26	5	6	116
7/6					X	X			2
7/13	X	X	X		X	X		X	6
7/20				X	X	X			3
7/27	X	X	X		X	X	X		6
8/3					X	X			2
8/10	X		X		X	X			4
8/17		X		X	X	X			4
8/24	X	X	X		X	X		X	6
8/31					X	X			2
9/7	X		X	X	X	X			5
9/14	X	X	X		X	X	X	X	7
9/21				X	X	X			3
9/28	X	X	X		X	X		X	6
10/5	X			X	X	X			4
10/12	X	X	X		X	X	X	X	7
10/19				X	X	X			3
10/26	X	X	X		X	X		X	6
11/2	X		X		X	X			4
11/9		X	X	X	X	X			5
11/16	X	X	X		X	X	X	X	7
11/23					X	X			2
11/30	X	X		X	X	X		X	6
12/7		X	X	X	X	X			5
12/14	X				X	X			3
12/21					X				1
12/28					X				1
2nd Half Total	14	12	13	9	26	24	4	8	110

Compiled by Russell D. Bowman

No rest on Sundays in the magazine field

Gannett's bullish launch of *USA Weekend* has the field in flux. *Parade* and *USA Weekend* now are crowding each other in major markets, while the Sunday Magazine Network flexes to keep business and independents upgrade and form new regional networks. Advertisers remain wary. The field, they say, is difficult to segment, and mass coverage is still far too costly.

The Sunday magazine field used to resemble more a croquet outing than a football game. Not anymore. This Sunday season is marked by the mad scramble of an extended broken play. The opponents keep changing shirts, putting on fancier moves, hitting harder, and turning the corner toward more head-on collisions. And the game has just begun.

The shaker is a flashy new quarterback, *USA Weekend*. It is Gannett's replacement for *Family Weekly*, a syndicated Sunday magazine that Gannett bought from CBS about eight months ago which had served mostly small-town papers. Gannett is setting up confrontations by moving *USA Weekend* into the major urban markets which have long been the province of industry leader *Parade*, the syndicated Sunday magazine owned by Conde Nast. Also threatened is the Sunday Magazine Network, an organization of 48 local Sunday magazines for which Metropolitan Sunday Newspapers Inc. (Metro) sells national ad space.

The repositioning of *Family Weekly* has sent all three groups to the chalkboard. Their new marketing plans put them in more direct competition than ever before. They're redrawing circulation profiles, changing prices and forming new packages. Some local newspapers are adding to the confusion by upgrading magazines or forming new regional networks.

"I would be concerned about using last week's data," says Irwin Srob, an associate media director who studies the field for Saatchi & Saatchi Compton Inc. He's not alone. Joe Magier, supervisor of print media at SSC&B, finds it harder now to sell clients on the Sunday field because its circulation no longer seems stable. Dan Pearson, media director at R.J. Reynolds, finds it "more difficult to segment the Sunday field. We no longer have clear delineations between *Parade* and *Family Weekly/USA*. We may have to change our usage strategy."

Steven Begleiter
USA WEEKEND
THE FAMILY WEEKLY
That 'Cosmo' woman
COSMOPOLITAN
Helen Gurley Brown is the brains behind the beauties on 'Cosmopolitan' magazine. The current issue marks her 20th year of sharing the secrets of sex and the single girl. Now she tells how she does it, and why it's still fun.

Gaulke, president of Gannett Media Sales, sells USA Weekend *in combination with other Gannett media.*

Clear coverage delineations have been crucial for the field. Advertisers who need color and "announcement value," explains Allen Banks, Dancer Fitzgerald Sample executive vice president and director of marketing services, have sought Sundays as a "tactical device" for unduplicated mass reach. For example, Pat Kane, director of advertising at Beatrice U.S. Food, has traditionally put coupons and new product announcements in *Parade*, *Family Weekly* and Metro papers to reach different household groups in different regions. "We could always build a program nationally without a lot of duplication," he attests.

Not anymore. The confusion began when Gannett plucked *Family Weekly* and its 13 million circulation out of the CBS lineup for $42.5 million last April. Gannett's first move was to transform what John Morton, a newspaper analyst at Lynch, Jones & Ryan, calls "a cornpoke effort" into a dead ringer for its pioneering national daily newspaper, *USA Today*. The prototype for *USA Weekend* showed a similar eye-catching logo and punchy, timely editorial content. At least one observer called the move "the marketing coup of the century."

It wasn't long, though, before other onlookers asked, "For whom?" Gannett's power had a disadvantage. At least 168 *Family Weekly* smalltown carriers refused the new product, fearing that their readers would settle into the style of *USA Weekend* and come to prefer *USA Today*.

Parade has picked up some 150 *USA Weekend* defectors, according to Carlo Vittorini, the magazine's president and publisher. In the process, *Parade* has gained four million circulation in the more rural C and D counties, where Vittorini has wanted sizeable distribution for some time.

But *Parade*'s circulation pickup pushed its circulation over 30 million — too big for many advertisers — and forced Vittorini to offer the magazine "in bits and pieces." Now advertisers who don't need or don't want to ante up the $289,400 for a full-run, four-color page are offered *Parade A*, half the circulation at half the price. Or they can buy *Parade 100:* 26.9 million households in the top 100 tv markets for $255,000. Or they can pay premiums for different regional distributions. New is the chance to buy *Parade Countryside*, which delivers four million circulation for a cost of $37,650.

"At the big-ticket rate *Parade* was asking, it was just unaffordable," says Howard Nass, senior vice president/media manager at Cunningham & Walsh, Inc. "Now that it's become competitive with magazines," Nass, for one, will "take a harder look at it."

Gannett is showing its best face over the matter. So much so that *USA Weekend*'s president, Ray Gaulke, who is also president of Gannett Media Sales, now claims the initial circulation loss as a kind of triumph. "We weren't about to stay in the C and D counties," he says. New carriers include such major markets as Denver and Chicago. According to *USA Weekend* data, 84% of the magazine's 12.7 million households are now in A and B counties.

All it took was one look at the Gannett prototype for Tucker Sutherland, president of newspaper operations at Harte-Hanks Communications, to spot

DAILY • NEWS
PARADE
The Loves And Hates Of George C. Scott
An Interview By Cleveland Amory
INSIDE: Secrets Of Glamour By Elizabeth Gaynor

Michael Melia

Parade *president and publisher Vittorini prints local magazines and binds them into* Parade.

"a window of opportunity" in the rural areas Gannett would leave behind. He created a network around a spunky new magazine all about and for Texans. *Texas Weekly* currently reaches 562,000 households through the 13 Harte-Hanks papers as well as 11 others. Other papers around the country hope for regional networks, says Metro president Sterling "Bud" Dimmitt, whose staff has taken on the "mission to help anyone who wants to start a Sunday magazine."

Metro has a mission, but advertisers need a reason to buy. Harry Glass, senior vice president and media manager at Bozell & Jacobs, Inc., for one, is "skeptical about the quality" and the uniqueness of coverage that regional network products will deliver.

"Nobody wants to pay premiums for less than national circulation," echoes Doyle Dane Bernbach executive vice president Mike Drexler. "We have so many other regional options. Advertisers feel they get greater targeting from special-interest magazines."

Also, budget-minded advertisers have a friend in Gannett. To start with, *USA Weekend*'s $105,000 four-color page rate and $8.08 CPM are the lowest now in the field. Big-ticket advertisers are lured with frequency discounts called partnership plans that approach half price. And there are discounts through combination buys with *USA Today* and Gannett Outdoor, as well as a multi-buy that adds in the company's Four-Color Network and newspapers in three major markets.

Gannett's eye-catching presence and effort count more than its actual packages to Bob Giacomino, senior vice president and group media director at Grey Advertising. In truth, he feels, Gannett's multi-media packages may be "intimidating" to advertisers because "very few have the brand or product diversification to warrant a multi-media buy" and many find it hard to coordinate divisions.

But advertisers aren't intimidated by bargains. Gannett's price breaks have big spenders like Ford Motor Corp. listening — and buying. According to Sheldon C. Jones, vice president and media director at Ford's corporate agency, Wells, Rich, Greene/Detroit, the high out-of-pocket cost of Sunday magazines had made them a medium for Ford to avoid. But the partnership plan "was an offer we couldn't refuse," he says. "We got an awful lot of pages for what we paid, and the magazine is affiliated with Gannett."

Parade isn't just watching from the sidelines. Last month, with 22% more revenues since the *USA Weekend* fumble, Vittorini cut *Parade*'s previously published CPM by 16% — from $11.16 to $9.38 per thousand. The four-color page rate dropped by 14%, from $334,000 to $289,400. In place of a potentially confusing series of product discounts, Vittorini substituted corporate discounts that can cut advertiser costs by as much as 18%.

Call Gannett his competition, though, and Vittorini fumes. "We're not competing with them. They're 12.7 million in circulation while we're 30 million. We're competing with magazines, and with broadcast." Interestingly, Gannett's Gaulke cites the same "brand-building" advertising targets — "magazine money, broadcast money" — for *USA Weekend*.

Able to trim CPM only six cents, to $10.66, Metro answered with a simpler, more flexible sales structure. Metro used to require advertisers to choose between two groups of papers with optional additions, or buy space in individual papers at a premium. Starting January 1, advertisers who don't need all of Metro's 44 regular primary magazines can run in any 30 for a modest premium over network rates, with no charge for market-tailored copy. The new Metro, says former marketing director Linda Vaughan, realizes that "most marketers have business that skews more heavily to one market or another." Vaughan isn't sticking around for the sell, though. As Metro geared up in late October, she left her 10-month-old assignment to return to Gannett as vice president/marketing manager, Gannett Media Sales.

Since Gannett is courting new papers as fast as it's hustling new advertisers, next year may find Gannett and *Parade* squaring off in more and more markets. "Gannett's after mass circulation," says John Morton. "They're grabbing it anywhere they can."

To hear Gaulke tell it, *Parade* carriers aren't off limits. He won't reveal which papers, but affirms, "We're now talking to every major newspaper with a Sunday edition. The realignment has certainly not yet been completed." To make *USA Weekend* as attractive as possible, Gannett gives carriers ads and promotion money and lets papers which publish their own Sunday magazines deliver *USA Weekend* on Friday or Saturday.

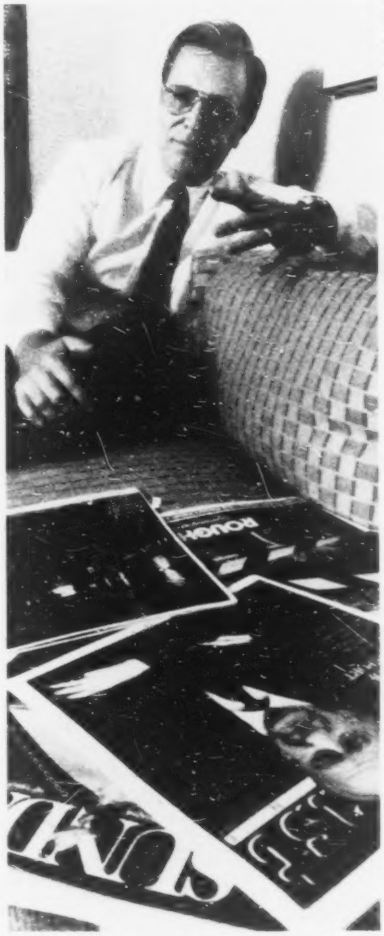
Before the Game Changed: National Pages Ad/Revenues Matchup

	1981	(millions)	1982		1983		1984		Jan-June 1985	
	pgs	revs	pgs	revs	pgs	revs	pgs	revs	pgs	revs
PARADE	829	142.3	796	157.3	744	172.3	640	157.3	317	89
FAMILY WEEKLY (new USA Weekend)	991	102.1	886	101.4	814	102.5	693	100	302	46.5
METRO* (Sunday Magazine Network	420*	154	330*	149	300*	144	287*	146	120*	70

*Represents a national pages average. Metro member papers. Local retail advertising is handled by individual members.

SOURCE: Advance Publications, Inc.; USA Weekend: Metropolitan Sunday Newspapers, Inc.

Parade responded with a creative arrangement called *Parade Tandem*. Participating newspapers save on production by having their magazines printed by *Parade* and enclosed in the national magazine, while continuing to sell their own space. Unfortunately for Metro, by January 1 at least two of its papers — the *Houston Post* and the *Atlanta Journal & Constitution* — will be running *Parade Tandem*.



Larry Barns

Metro president Dimmitt offers 30-market packages from a 44-market total.

And to think it was only a year ago that *Parade* and *Family Weekly* pitched jointly against competing media. Meanwhile, Metro and *Parade* started honoring advertisers' requests to drop one of the magazines in markets where they overlap — Metro at no cost, *Parade* at a premium. *Parade* and *Family Weekly* had rallied around a presentation from Metro designed to lure packaged goods advertisers and heavy couponers away from tv.

Combination selling is the last play on Gannett's chalkboard, however. "Our strategy," Gaulke explains, "is to sell *USA Weekend* as a stand-alone media buy." And while the company does post a regional rate card, salespeople openly discourage regional market handpicking.

Those resolves have led to some problems for Metro. Gannett made *USA* attractive enough to give many newspapers second thoughts about continuing their local Sunday magazines. Major market papers in Metro's bread-and-butter "Primary" network — the *Phoenix Arizona Republic* and the *Indianapolis Star* — eyed their balance sheets and opted for the security of *Parade*. Then the six Gannett papers in Metro's lineup added *USA Weekend*.

Those decisions stung Dimmitt, the intense president who had just begun to turn around Metro's operation. "There's no question: This place wasn't selling," Dimmitt admits. "The sales staff had been here for 15

Continued on page 120

stand much of a chance using this standard. Does this mean that viewers of less informational shows are less likely to "see" or pay attention to their commercials? Perhaps, but I'd like to see some meaningful validation based on specific programs or program types with comparable commercials before accepting this premise.

A lot of ad agencies subscribe to Simmons, but they use it primarily for magazine audience data, reach/frequency comparisons and product usage data. The Simmons tv findings — both the quantitative and the qualitative — are often ignored. TVQ is rarely subscribed to by agencies these days, even when they are actively involved in major negotiations.

This is a mistake. Advertisers should encourage those who oversee their media activities to check out these already existing qualitative surveys, using them when the information is relevant. Then, perhaps, other measurements such as Television Audience Assessment's "appeal" and "impact" scales can be put into proper perspective and employed more effectively. ■

MAGAZINES
By DAN HODGES
Media planner,
BBDO/New York

The single-copy slide

The decline of magazine newsstand sales has been an ongoing trend since the start of this decade.

Eroding sales levels can best be illustrated by examining the top 10 1984 newsstand circulation publications.

Imagine a highway of magazines, which extends 37.8 thousand miles. On that highway you will see 228 million copies of assorted titles, which sold on the newsstand in 1980, but *not* in 1984. Imagine this, because you could wrap this highway 4.8 times around the earth. That's amazing.

Since newsstand sales represent a magazine's greatest strengths — profitable circulation and reader interest — this downward trend is a concern for the advertising community. The advertiser must wonder how the loss in revenue will affect the publications which comprise his/her advertising schedule.

Over the past five years, there's been a great deal of newsstand fallout, but *TV Guide* leads the top 10 magazines with newsstand erosion of 148 million fewer copies sold in 1984 vs. 1980. This translates to 65% of the single-copy sales decline that we've seen since 1980 for just the top 10.

Why has *TV Guide* lost so many single-copy sales? Probably because its audience has more alternatives than it

Some of the smartest media buyers buy the Beacon Journal

Talk to somebody who really understands the Cleveland ADI, Jim Pockmire, Senior VP Media, Wyse Advertising, Cleveland:

"The Cleveland ADI is unusual because it consists of several sizeable cities — Cleveland, Lorain, Canton and Akron. The Cleveland television stations cover the ADI.

"But there's no single newspaper that blankets the area. If you're using newspapers, the typical approach of thinking in terms of one paper per market just won't work. While the Cleveland paper gets 35% coverage of the ADI, it's very lopsided coverage — it gets 62% of the Cleveland metropolitan area and only 5% of the balance of the ADI. By buying the Akron Beacon Journal, you pick up a substantial part of the balance, because it has 60% coverage daily and 77% on Sunday in the Akron MSA.* And you're not paying for duplication of readership, either."

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EXHIBIT I
Top 10 Newsstand Magazines
Total Annual Single-Copy Sales (000)

	1980	1981	1982	1983	1984	1980 vs. 1984 #	1980 vs. 1984 Index
TV Guide	596	558	485	471	448	– 148	75
Family Circle	127	126	122	121	114	– 13	90
Woman's Day	114	103	104	104	99	– 15	87
National Enquirer	236	214	240	230	216	– 20	92
Penthouse	50	46	44	39	39	– 11	78
The Star	172	173	195	187	169	– 3	98
Cosmopolitan	33	32	32	33	32	– 1	97
Good Housekeeping	22	22	23	24	22	–	–
People Weekly	24	23	23	21	21	– 3	100
Playboy	36	33	26	23	22	– 14	61
Total	**1,410**	**1,332**	**1,294**	**1,253**	**1,182**	**– 228**	

Source: Audit Bureau of Circulations

had five years ago. Most Sunday as well as daily papers include their own tv listings, in the form of a magazine or tv supplement, and cable tv penetration has increased greatly in the past five years, thereby contributing to the increased use of cable guides.

EXHIBIT II
Next 20 Selected Major Magazines Single-Copy Sales

	Index 1984 vs. 1980
Globe	108
Reader's Digest	77
Ladies Home Journal	123
New Woman	73
Redbook	80
McCall's	99
Better Homes and Gardens	77
Seventeen	73
Omni	50
Mademoiselle	123
Life	101
Self	138
Playgirl	69
Vogue	118
Time	77
Newsweek	75
Brides	111
Modern Bride	107
National Lampoon	48
Gentlemen's Quarterly	146

Source: Audit Bureau of Circulations

While the next nine top sellers have also lost at the newsstand, they have not been hurt as dramatically as *TV Guide*. The drop in single-copy sales can probably also be linked to the number of increased choices the consumer has at the newsstand.

When average single-copy sales are compared for 1980 and 1984, most magazines were down between 10% and 25%. Looking at the top 10 and beyond, the hardest hit magazines by newsstand erosion were *Omni* and *National Lampoon* — both down approximately 50% (see Exhibit II). Those magazines down approximately 25% or more from 1980 include *TV Guide*, *Reader's Digest*, *Seventeen*, *Time*, *Newsweek*, *Penthouse* and *Playboy*. The Seven Sisters and *People* were down around 10%. *Life*, the *National Enquirer*, *Star* and *Globe* maintained newsstand sales for the most part.

This is not to say that all single-copy magazine sales were down. In fact, for the more targeted women's magazines, they were up 10%. Major benefactors included *Cosmopolitan*, *Vogue*, *Glamour* and *Mademoiselle*.

Is the problem with magazines today that there are just too many titles and not enough time for people to read them all, or do people simply want to read *only* about their special interests?

The *Ayer Directory of Publications* reported 9,872 periodicals in 1976. In 1985, there were an additional 1,218 publications, for a total of 11,090. This 12% gain in nine years may support both the magazine "oversupply theory" and America's great attraction to special-interest publications.

Society has changed in the last several years and so have the needs of the magazine readers. There are many more titles that address certain segments of the population more directly than the mass books. Together these reasons may have contributed to newsstand erosion in the last five years.

Magazine representatives are quick to point out that the proof of the vitality of their magazines is shown each time the reader pays one or two dollars a copy. However, in the last five years, one quarter of a billion prospects voted against that proposition.

Magazines are a vital advertising medium. Editorial and graphic quality attract both readers and advertisers. Magazines that continue to change should continue to grow and be a service to both readers and advertisers. ■

TELEVISION
By DEBBIE SOLOMON
Media research supervisor,
Leo Burnett Chicago

Surviving the ratings game, 1975-1985

With the networks currently evaluating their fall 1985 prime time programs and planning winter replacement schedules, we thought it would be interesting to see how previous seasons' new shows fared. This column reviews the survival rates of new, regular series

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prime time programs launched during the 1975-1985 seasons. Six factors were considered in relation to a show's success or failure. These factors were:

- network
- program type
- season of introduction (fall, winter, or spring/summer)
- day of the week aired
- time slot of program
- length of program.

The findings are based on all prime time programs that were defined by Nielsen as regular series. A program was considered "successful" if it returned for the following broadcast year. It must be noted, that some programs which returned in a subsequent year survived only a short time.

Overall findings

From 1975 to 1985, an average of 55 new programs debuted each year with about one-fourth of these surviving the "share wars" to return the following year. The actual number of new programs introduced each year has varied over the decade. The largest number of new programs (77) was introduced in the 1978/79 season and the smallest (40), in the 1980/81 season. Interestingly, 1980/81 also saw the highest survival rate — 32%.

New Regular Series
Prime Time TV Program Survival Rates by Program Type

Season Total	Comedy	Adventure Suspense/ Mystery	General Drama	Variety	Police/ Detective Series	Other
1975/76						
# new	21	4	11	9	9	3
% survived	29	25	9	22	33	0
1976/77						
# new	24	11	6	9	7	3
% survived	25	45	17	0	29	0
1977/78						
# new	21	5	11	6	3	10
% survived	10	40	18	17	33	25
1978/79						
# new	32	5	21	8	4	7
% survived	34	40	14	0	25	57
1979/80						
# new	23	5	12	6	8	6
% survived	22	20	25	17	38	50
1980/81						
# new	19	3	7	3	5	3
% survived	32	0	43	33	40	33
1981/82						
# new	18	2	9	5	7	3
% survived	28	50	33	0	43	0
1982/83						
# new	28	11	9	1	3	5
% survived	25	27	33	0	67	20
1983/84						
# new	19	7	12	2	3	6
% survived	16	57	10	50	67	0
1984/85						
# new	14	7	8	4	7	4
% survived	36	14	13	0	43	0
10 Season Total						
# new	219	60	106	53	56	50
% survived	26	33	21	19	38	22

Source: A. C. Nielsen, Household Tracking Report.

New Regular Series Prime Time TV Program Survival Rates

	New Programs		
TV Season	# of Programs	# Returned	% Returned
10 Season Total	544	133	24%
1975/76	57	13	22
1976/77	60	11	18
1977/78	56	9	16
1978/79	77	19	25
1979/80	60	16	27
1980/81	40	13	32
1981/82	44	12	27
1982/83	57	16	28
1983/84	49	12	24
1984/85	44	11	25

Source: A. C. Nielsen, Household Tracking Report (HTR), all years studied.

Network

On average, each network premiered 18 new shows per season, with three notable exceptions: NBC premiered a whopping 35 new shows during 1978/79 (Fred Silverman's first season at NBC) and CBS introduced a mere nine new shows during 1981/82 and 10 during 1984/85. Over the 10 seasons studied, NBC aired the most new programs (203) and had the lowest overall survival rate (20%). CBS aired the fewest new programs (185) and ABC enjoyed the highest survival rate (27%).

NBC holds the record for the most erratic survival rates. It hit bottom in 1975/76 when such memorable programs as *Family Holvak*, *Fay* and *The Dumplings* premiered. None survived. The peacock's fortunes started to change in 1980/81 when *Hill Street Blues* was introduced and the survival rate went up to 33%. In the 1982/83 season, NBC achieved the highest survival rate of all three networks over all 10 seasons examined — 45%.

CBS also had an erratic survival record. It hit a low of 10% during the 1976/77 season (do the shows *Loves Me, Loves Me Not*, *Year at the Top* or *Keane Bros.* sound familiar?). However, the network rebounded to a high of 40% during the 1979/80 season when it premiered *Knots Landing*, *Trapper John, M.D.* and *Archie Bunker's Place*. CBS's survival rate went down after that.

ABC's survival rate was fairly consistent and above average except for the 1982/83 and 1984/85 seasons when it was 17 and 15%, respectively.

Program type

With 219 new programs over the past nine seasons, situation comedies are the most frequently produced prime time shows, comprising 40% of all new shows introduced. On average, 26% of these programs returned to the air the next season. The survival rate for comedies has fluctuated widely over the past dec-

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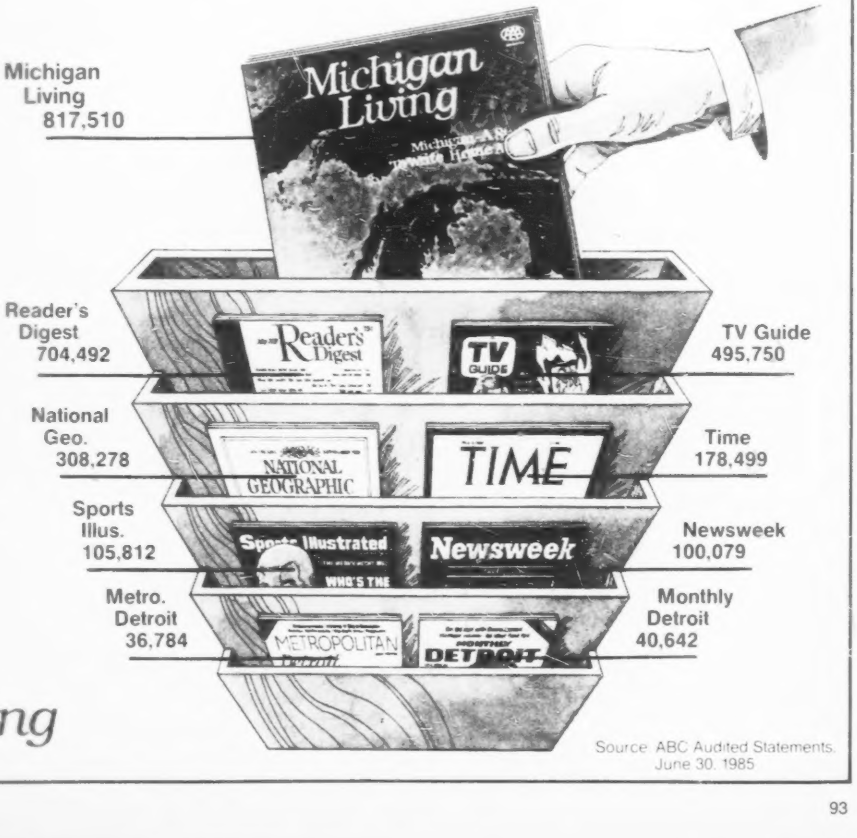

Source: ABC Audited Statements, June 30, 1985

The match was won by pointing out that 51.6%* of HBR subscribers are chairmen, presidents, managing directors, chief administrators and top managers."

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New Regular Prime Times Series Survival Rates by Season

	Fall		Winter		Spring/Summer	
TV Season	# New	% Returned	# New	% Returned	# New	% Returned
10 Season Total	212	27%	167	26%	165	19%
1975/76	27	19	18	39	12	8
1976/77	24	21	23	26	13	11
1977/78	20	20	20	15	16	13
1978/79	22	27	21	29	34	24
1979/80	23	30	10	20	27	26
1980/81	6	50	23	35	11	18
1981/82	13	31	19	21	12	33
1982/83	29	34	13	15	15	27
1983/84	25	24	13	46	11	27
1984/85	23	35	11	18	10	10

Source: A. C. Nielsen, Household Tracking Report

ade from a high of 36% in 1984/85 to a low of 10 in 1977/78. Although only two comedies survived in 1977/78, one was *Love Boat* which is the oldest surviving show for all 10 seasons in this study.

General dramas, which have accounted for roughly one-fifth of all new programs offered in the past 10 seasons, were the second most produced program type and had a survival rate of 21%. Among the more popular general dramas were nighttime soap operas *Dallas* (introduced in 1977 and the second-longest running show introduced during this 10 year period), *Dynasty* and *Falcon Crest*.

Police and detective series have shown consistently high survival rates and the 1982/83 and 1983/84 seasons had the highest survival rate ever — 67% — although the number of shows introduced in the category each year was low. Survivors included *Matt Houston* and *T.J. Hooker* in 1982/83 and *Mike Hammer* and *Riptide* in 1983/84.

Adventure and suspense/mystery programs had a 33% survival rate over the decade. This program type has increased in popularity over the past three seasons and saw its highest survival rate in 1983/84. This was the year *Hardcastle & McCormick*, *Airwolf* and *Blue Thunder* debuted in this category.

New Regular Series Prime Time TV Program Survival Rates by Network

	ABC		CBS		NBC	
TV Season	# New	% Returned	# New	% Returned	# New	% Returned
10 Season Total	176	27%	164	25%	204	20%
1975/76	17	35	20	30	20	0
1976/77	21	33	21	10	18	17
1977/78	19	26	17	12	20	10
1978/79	18	33	24	33	35	17
1979/80	20	25	20	40	20	15
1980/81	12	42	13	23	15	33
1981/82	17	24	9	33	18	28
1982/83	23	17	14	21	20	45
1983/84	13	38	16	25	20	20
1984/85	16	15	10	20	18	28

Source: A. C. Nielsen, Household Tracking Report.

Variety programs have the lowest overall survival rate (10%). It is interesting to note that in only one season, 1975/76, did more than one of the variety offerings survive (duos *Donny and Marie* and *Sonny and Cher*). There has been a general decline in the number of these shows since 1978/79.

Season

The number of new programs introduced each fall since 1974 remained fairly consistent until 1980/81 when the writers went on strike and only six shows were offered. Since that season, the number climbed with the 1982/83 season offering more new programs than any previous year — 29. Not surprisingly, the number of winter replacement offerings was down in 1982/83. The spring/summer season has been somewhat unpredictable, varying from a low of 10 new shows in 1984/85 to a high of 34 (the largest number of programs introduced in any season) in 1978/79.

In the past, fall and winter survival rates have tended to be higher than spring/summer survival rates. However, in 1981/82 through 1983/84, the spring/summer success rate has risen. This reflects the fact that the networks have been testing more of their new season shows as regular programs in off season prior to the new season.

Which night had the highest survival rate varied from year to year. In recent years a show that aired on Thursday evening showed the best chance for success. Wednesday had the most overhauling this season with six new introductions for 1985/86.

Summation

It must be remembered that program success or failure has become an increasingly relative statistic. With network shares down over the past few years, "hit" shows have become harder to define. Because of this, it has become necessary for the networks to lower their renewal share requirements. The programs considered successful in the 1984/85 season can be defined as those shows receiving a relatively greater share of a smaller audience. The 1984/85 season's 75% mortality rate for new prime time programing must be viewed in this context. ■

NEWSPAPERS

By LAURIE DAVIS
Associate media director,
Smith, Burke & Azzam, Inc., Baltimore

Sunday comics: not to be taken lightly

Over the years, we have seen innovations in almost every form of media: 30-second commercials, 15-second commercials, checkerboard ad units in magazines, electronic applications in outdoor. Newspapers are perhaps the only media form that remains practically unchanged over the last 50 years.

The newspaper industry has faced severe criticism for not evolving into an '80's medium which flexibly responds to the changing needs of the marketplace. Consequently, advertisers buying newspapers are beset with a variety of problems — the enormous logistical ones in trying to place such a national buy, inadequate market coverage, rising costs and a lack of creativity and/or flexibility of ad sizes, to name but a few. None of these problems has been adequately addressed.

The heart of the matter is attitude. Newspapers themselves do not appear to be as concerned about their fate as are we who use the medium. There exists an unwillingness to see into the future and, more importantly, to prepare now for the media environment of tomorrow.

In the current environment, an advertiser could easily turn away from newspapers altogether, at worst, or view newspapers as a necessary evil,

Buy
COLUMBUS
The Uncommon Market
The Dispatch and Citizen-Journal reach the people who spend in this Ohio market of over one million

	Coverage	
	Daily Net	Sunday
Total Adults	58%	74%
Professionals/Managers	66	87
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"What really impressed them was that 94.3%* of HBR subscribers are managers and professionals."

*U.S. & Canadian Subscribers

Harvard Business Review

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at best. Despite all this, newspapers remain a valuable selling commodity. They can offer immediacy, local appeal, next day results — attributes not easily ignored.

There is, however, one bright spot on the newspaper horizon: Sunday comics. Sunday comics are the most under-utilized advertising space in newspapers today. This is especially significant since studies indicate that Sunday comics are read even before the front page and are frequently the first section people turn to in the Sunday paper.

It is true, of course, that certain advertising strategies are not appropriate for the funny pages. Nevertheless, an understanding of the comics reveals a highly versatile newspaper execution.

Comics offer advertisers the benefits of newspaper advertising without the pitfalls mentioned above. They offer, for example:

A national network: Over 250 papers can be purchased locally, regionally or nationally through the two leading rep firms, Puck and Metro Comics. The opportunity to design customized regional programs is a rare find in the newspaper field.

Convenience: As rep firms, Puck and Metro Comics can coordinate a national buy with one phone call (and one piece of artwork). Labor and material costs are enormously reduced.

Cost efficiency: A full page in comics costs between 20%-to-50% less than any other section of the paper. And that's matching four-color against a black-and-white page.

Creativity: Besides the standard units, Sunday comics offer a variety of unusual ad sizes. These opportunities are similar to those offered in many magazines.

Yet despite these significant advantages, many advertisers wouldn't even consider using the comics. Why? Perceptions, probably. Lack of knowledge of the facts, definitely.

The objections

1. ***The "Comics have no significant value" argument.*** Beginning with "The Yellow Kid" back in 1890, comics have provided ongoing entertainment for the masses. However, for the past 40 years or so, comics also have become a poignant socio-political commentary. Current strips such as "Doonesbury" and "Bloom County" are rife with political satire, while "Cathy" embodies idiosyncrasies of the '80's woman. Psychologists and social critics alike have concluded that comics mirror the American lifestyle as well as any novel. Comics are an animated history of social and economic change.

2. ***The "Readers are merely entertained and show no real editorial involvement" argument.*** If this true, why are millions of dollars being spent on "Garfield" paraphernalia?

3. ***The "Comics' readers are mostly young people" argument.*** While it is true that comics have a strong audience among the 12- to 17-year-olds, households *without* children showed a higher readership incidence of comics than households with children!

	With Children	Without Children
	Index	Index
Age 18-24	93	128
25-34	89	112
35-49	103	109
50-64	133	101

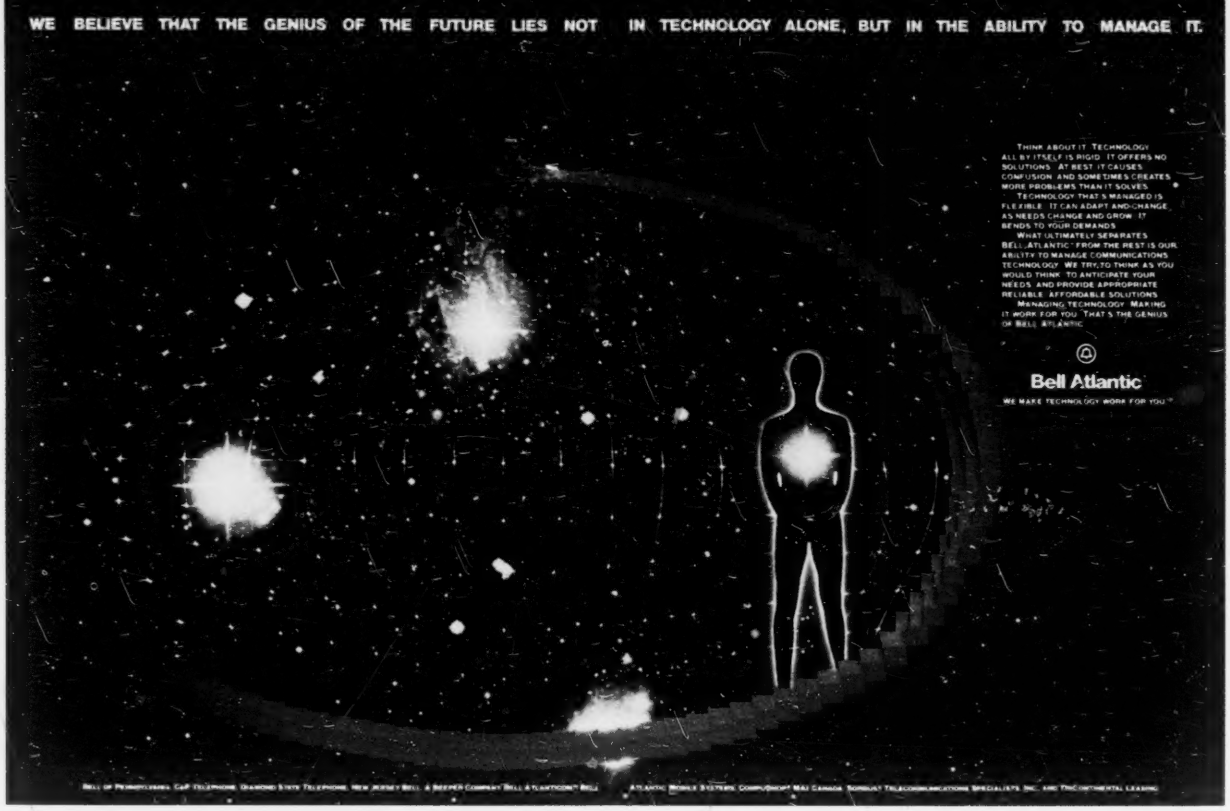
* MRI Spring '85

In upscale households, comics performed well ahead of the regular Sunday newspaper.

	Comics	Sunday Paper
	Index	Index
College Attended	127	108
College Graduate	122	118
HH Income 50-plus	135	118
HH Income 100-plus	195	120

* MRI Spring '85

With everything going for them, there is still one important consideration — will comics produce results? The outcome, naturally, is highly dependent on the advertising's concept and creative execution. However, preliminary testing for retail clients, in particular, indicates comics will perform as well as, if not better than, the same ad placed in another section of the paper. Considering cost efficiency and the ease of national execution, Sunday comics offer a tangible solution to the newspaper dilemma. ■



WE BELIEVE THAT THE GENIUS OF THE FUTURE LIES NOT IN TECHNOLOGY ALONE, BUT IN THE ABILITY TO MANAGE IT.

THINK ABOUT IT. TECHNOLOGY ALL BY ITSELF IS RIGID. IT OFFERS NO SOLUTIONS. AT BEST IT CAUSES CONFUSION AND SOMETIMES CREATES MORE PROBLEMS THAN IT SOLVES.

TECHNOLOGY THAT'S MANAGED IS FLEXIBLE. IT CAN ADAPT AND CHANGE AS NEEDS CHANGE AND GROW. IT BENDS TO YOUR DEMANDS.

WHAT ULTIMATELY SEPARATES BELL ATLANTIC™ FROM THE REST IS OUR ABILITY TO MANAGE COMMUNICATIONS TECHNOLOGY. WE TRY TO THINK AS YOU WOULD THINK. TO ANTICIPATE YOUR NEEDS. AND PROVIDE APPROPRIATE, RELIABLE, AFFORDABLE SOLUTIONS.

MANAGING TECHNOLOGY. MAKING IT WORK FOR YOU. THAT'S THE GENIUS OF BELL ATLANTIC.

Bell Atlantic

WE MAKE TECHNOLOGY WORK FOR YOU™

Brand Report 128:
Telecommunications

Opportunity calling

The break-up of AT&T spawned a host of new companies. In addition to forging new identities and ventures for themselves, all of them are marketing furiously for your dial-tone business.

"It's a very different world than it once was," muses a spokesperson for American Telephone & Telegraph. It's a simple statement but, for the local and long-distance phone companies, it speaks volumes.

The reason? The same explanation has topped everybody's list since deregulation became effective January 1, 1984: competition. "There really was no competition in our industry before 1968," explains Jack Sommars, director of financial communications for US West, referring to the first hint of a challenge to AT&T's dominance. "Now you're seeing competition in virtually every aspect of the business. There's no guarantee of survival anymore — the days of the monopoly are gone and it's a cold cruel world out there."

Now, as the start of 3 A.D. (After Divestiture) approaches, one of the fiercest marketing battles in American business is in full swing. Before the phone lines untangle, it will have affected everything from the local rates of the U.S.'s 160-200 million phone sets, to just who carries who's long-distance calls, to the kinds of services a phone company can and can't provide.

On one side of the coin, says John Bain, an analyst at Shearson Lehman/American Express, "There is a growing suspicion that this thing has been a terrible error." He, of course, refers to the divestiture that created a big long-distance company, seven regional holding companies, 22 local operating companies, and scads of consumers feeling like they need a degree to understand it all. But there are others, himself included, who take the attitude, "It's too late, folks. You've

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63.1 Addressed a public meeting
57.1 Wrote visited an elected official
54.7 Took active role in a civic social issue
27.5 Worked for political party candidate
21.3 Wrote phoned radio TV station
20.2 Wrote to editor of newspaper magazine

Average number of activities participated in, 5.4.

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Indianapolis, IN 46268
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opened up Pandora's box and you'd better make the best of it."

Once able to hide behind the skirts of Ma Bell, letting her set the marketing course and dole out the dollars to implement strategies, the seven regionals are now fending for themselves. They are going up against local competitors and, in some cases, one another.

Meanwhile, in the long-distance service market, AT&T is plugging in its full marketing power against its only real competitors, MCI and GTE Sprint. In addition, all sorts of equipment marketers are mixing it up in an attempt to capitalize on growing opportunities in the industry.

"We're not the only game in town now," says William Harral, assistant vice president of marketing operations at Bell Atlantic. "But," he adds, with a note of exhilaration, the change "offers entrepreneurial opportunities beyond just the POTS — plain old telephone services."

While the change has undoubtedly sharpened the marketing skills of the long-distance companies, it has made sophisticated marketers out of the Seven Dwarfs, a.k.a. the regional holding companies and their subsidiaries. Each now follows a highly segmented marketing plan, so much so that within each regional family the parent's strategy is usually quite different from the units'.

The scenario most follow is for the holding company to have its own corporate campaign, often directed largely at a business audience. Its local-service units may apply the corporate theme in some way to their advertising, but for the most part they generate their own campaigns suited to their market's needs. In addition, the structure of the locals' marketing organizations deems that the marketing/advertising positions be held by separate employees. Beyond that, the business and residential markets are broken out, too, with separate staffs of their own.

"Outsiders see us as carbon copies of one another," says US West's Sommars. But the regionals are creating distinct personalities for themselves. This not only shows up in their corporate advertising but also in the businesses they are going into. A number of them have communications-related units: Yellow Pages or phone equipment companies, for example. Some, however, are braving new frontiers. NYNEX, for instance, has a real estate unit; Southwestern Bell is trying to create an ad agency unit; and US West has a communications consulting company with offices in 30 cities.

Though they insist it isn't so, there is a fear that the Bell companies will concentrate on these ventures and their more profitable business customers, and neglect the concerns of their small residential users.

Residential users have already felt the pinch of higher local bills due to the divestiture. For years, "universal service" — making sure that everybody everywhere had affordable local service — was a priority. The cost of providing it was subsidized by high long-distance rates.

Now that the locals are in a competitive situation (there are an estimated 1,400 phone companies out there vying for pieces of the pie), they are charging different rates to different locales. The concept is called "local measured service" — a new way of dealing with an old market.

"Now you're seeing competition in virtually every aspect of the business. There is no guarantee of survival anymore . . ."

Looking to the future, the phone companies want to reap the benefits of computerized equipment they use to provide phone service by moving into information services. Only the regulators hold them back. One of those that has earned a regulatory okay is ISDN (integrated services digital network), a service that will permit the exchange of voice, data and images on a single line. It may be available to companies next year.

"We're going through an industrial revolution now in telecommunications technology," exclaims Donna M. Jaegars, a PaineWebber analyst. "You're going from an old adding machine to a brand new calculator." And though large businesses will be the only buyers of these techno-marvels for the next five to ten years, she notes, eventually costs will fall and the new technology will filter into most of our lives.

Telecommunications Industry Media Expenditures for 1984 (000)

Company	Total	Mags	Net TV	Spot TV	Outdoor	Newspaper	Net Radio
AT&T (Communications)	$276,000.0	*	*	*	*	$58,200.0	$2,470.2
MCI	35,764.5	625.2	—	31,627.0	21.1	3,490.6	.634
GTE Sprint	33,963.4	1,190.0	6,231.0	14,862.8	—	10,848.2	1,001.4
-Local Service-							
NYNEX	27,383.0	3,356.9	—	11,557.3	45.2	11,781.2	—
Ameritech	22,385.9	2,640.4	—	8,476.0	483.6	10,550.8	12.8
Pacific Telesis	21,670.2	3,184.1	—	14,565.3	0.4	2,570.9	1,349.5
BellSouth	20,550.4	3,902.3	—	8,747.1	0.7	7,259.9	640.4
Southwestern Bell	16,380.4	268.0	—	12,948.9	155.9	2,711.1	—
US West	15,412.6	2,283.2	—	7,536.0	40.3	5,553.1	—
Bell Atlantic	12,812.2	527.3	—	4,502.4	—	6,251.5	1,531.0
-Cellular Phones-							
Motorola	7,963.4	2,378.6	—	—	144.2	4,050.0	1,390.6
NEC	865.0	—	—	—	—	690.7	174.3
OKI Electric Industry	227.9	214.3	—	—	—	22.7	36.6
General Electric	191.0	56.8	—	—	—	—	134.2

* Breakdown not available

Sources: AT&T; Leading National Advertisers; Newspaper figures compiled by Media Records; radio by Radio Expenditures Reports

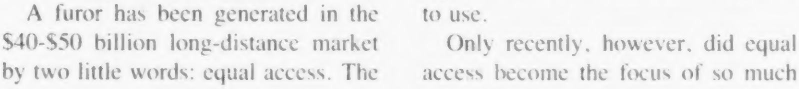
Long-distance services

A furor has been generated in the $40-$50 billion long-distance market by two little words: equal access. The divestiture required that business and residential consumers choose the long-distance company they want to use in the familiar way: dial "1" + area code + number. This requirement assures all long-distance competitors (there are between 300-400 of them, with anywhere from three to 18 per market) equal access to the local lines they have to use.

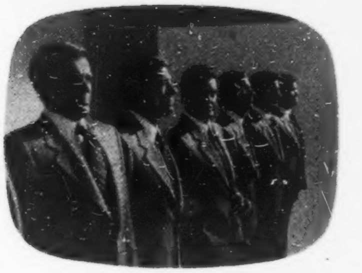
Only recently, however, did equal access become the focus of so much marketing attention. At first, AT&T — credited with about 85% of the market in terms of minutes transmitted — was allowed to scoop up all "default traffic." Those who didn't make a choice automatically stayed AT&T customers. Some cried foul. Now "allocation" is the new buzz word: Those who don't choose will be assigned a long-distance company at random. Even though callers will still be able to use other carriers by dialing different sets of numbers, this main shift is to be completed by September 1986. "People could basically ignore the process before," sighs an AT&T spokesman. "Now we have to say, 'Uh, excuse me — you have to make another decision.' "

Predictably, **American Telephone & Telegraph** is bringing awesome resources to bear in the fight for customers. AT&T Communications, the long-distance unit, says it spent $276 million on advertising in 1984, a figure that outdistances LNA estimates for this unit. Observers believe Communications will reach out with an even heftier budget this year and next, due to the equal access situation as well as the introduction of new services.

Market segmentation is an important part of the long-distance giant's marketing strategy. "You can't approach the market as a homogenous sum," especially when you are appealing to some 85 million U.S. households, explains Rick Roscitt, director of consumer program marketing at AT&T Communications. "You have to understand the demands of clusters of


AT&T IS IN A LITTLE BUSINESS.
AT&T
The right choice

No shrimp AT&T, with an estimated 85% market share.



people. There are people who want to reach out and those who don't want to reach out."

He says that the company targets a wide variety of consumer groups: the military, for instance, working women, and the college market. It recently launched a reported $20 million direct-mail campaign aimed at families about to move, hoping to convince them to choose AT&T in their next home town.

AT&T makes wide use of direct mail, telemarketing and other promotional techniques. Its high visibility, though, is largely due to the huge buys it makes into virtually every media, blanketing pages and airwaves with ads for its long-distance services.

Featuring ubiquitous company-spokesman Cliff Robertson, its ads for things like "Opportunity Calling" and "Reach Out America" services, as well as its response to the equal access question, can be seen on the three networks' morning and evening news shows. They also appear on a wide range of prime time shows, from *Magnum P.I.* to the *Twilight Zone*. Network sports slots figure in, too. The company makes some spot tv buys in certain markets where it wants to achieve higher reach and frequency. Publications it buys space in are equally diverse: *Newsweek*, *TV Guide*, *Sports Illustrated*, *Psychology Today*, *Changing Times*, *GQ* and *Ebony* are a sampling.

Where the business market is concerned, ads and promotions — the latter being especially important to this category — tout a variety of services tailored to the needs of the large, medium or small-sized company. A WATS service, for instance, may be just the thing for a small- to medium-sized customer, while a large business is the most likely candidate for an 800-number or teleconferencing.

The company says it depends heavily on the personal touch of its sales force to pitch its more sophisticated products to its large customers, though it makes some media buys against them in publications like *Data Communications*, for instance. Overall, though, its business advertising is aimed at medium- to small-sized customers. Currently, it focuses heavily on the equal access choice.

AT&T also has a network of 41 "telemarketing" centers staffed with about 2,000 people who answer customer questions and make sales calls. AT&T ran a special ad supplement in *Forbes* recently describing telemarketing and pitching AT&T as a telemarketing resource.

As for competition in the long-distance arena, "It's AT&T and us — and then everybody else," claims Judy Ranzer, vice president of advertising and sales promotion for **MCI Communications.** Indeed, estimates show that MCI, GTE Sprint and Allnet Communication Service, a minor player, account for 70% of the market AT&T leaves in its wake. MCI holds 10%-12% of the total market. She says the company currently has about two million long-distance customers, but that that number counts multi-lined business customers as one.

Company spokesman Cliff Robertson adds his personality to AT&T pitch.

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Test Marketing expert states:

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According to a leading ad agency's Senior Vice President, Media, "Some cities may have been overworked as test markets...and could have become jaded...and therefore display atypical reactions.

"And the census data show dramatic population changes in others.

"As a result," he continued, "we dropped 17 cities from our list of recommended test markets, added 18, and still name South Bend among the 8 cities we consider the 'most average of the average' -- a sort of Middle America honor roll of test markets."

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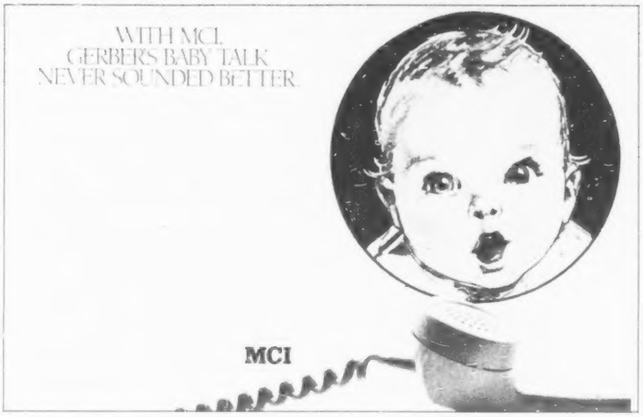

MCI highlights its corporate clients in new ads aimed at the business community.

cently bought a stake in MCI. While it's a move that many think will put MCI on a more equal marketing footing with AT&T, others point out that no sort of joint marketing agreement between the two has been worked out.

MCI's advertising still pitches its range of services, but is heavily focused now on equal access. Shearson Lehman/American Express speculates that when the nation's choosing is over, MCI will have increased its market share to 20%. The firm thinks "pent up demand" will account for this growth. Some consumers may have been lured by promises of lower phone bills, but waited until now because they didn't want to dial all the extra digits that went with an MCI call, or were turned off by the service quality (this will be determined by the local phone company after equal access).

"We view equal access as a major opportunity for MCI," says Ranzer, who puts the company's ad dollars in the over $40 million-under $75 million range. "The single most important thing we can do now is convert as many customers as possible. The whole future of the company depends on it."

Ads featuring Burt Lancaster and Joan Rivers take an informational approach. Rivers' spots, notably toned down from her earlier AT&T-mocking ones, still manage to get their digs in: ". . . to show you what a sporting company MCI is, we won't even mention that expensive phone company by name. But I'll give you a hint. Their initials are AT&T."

These residential-market ads are all local spot tv buys and appear on morning and evening news shows, early fringe and daytime shows. Mailings get most of the remaining expenditures. Occasional newspaper ads appear but very little other print is used to pitch to the residential market. MCI also recently struck a direct-sales agreement with Amway. The consumer products company's reps will push MCI's services when they make house calls.

MCI, Ranzer says, is beefing up advertising to another segment: "We're starting to talk to businesses more. We haven't done a very good job of that before." This fall the company launched a major print campaign aimed at "business people on all levels," says Ranzer. They were previously only aware of MCI through its ads to residential customers, ads that were funny and emphasized price.

The campaign, which has a tag line of "Smart companies use a smart company," features the trademarks of some subscribers: American Express, Gerber, Miller Brewing and Jacuzzi. The new campaign is running in publications like *Fortune*, *Forbes*, *Inc.*, the newsweeklies and trade books like *Communications Weekly* and *Telephony*. Tv and newspapers are being considered for 1986, Ranzer says.

GTE Sprint was taking the come-hither approach to make the most of its equal access opportunity. A new campaign broke earlier this year that featured sleek, sultry women telling viewers things like "I know what you want" — referring to phone service. Now, the company says this campaign has been dropped and a new campaign will break within a month or two.

According to LNA, the company spent close to $34 million to pitch Sprint, the bulk of that going to spot tv and newspapers.

But Sprint may need more than a new campaign to survive. Elimination of certain access charges, an advantage allowed the long-distance upstarts by regulators, could put it out of business, according to a study recently conducted for GTE by Booz, Allen & Hamilton.

Local phone service

"Bypass," in the lexicon of local telephone service, doesn't refer to a surgical procedure. Yet the mere mention of the word is likely to give some local-service marketers a sharp pain.

A growing phenomenon, bypass occurs when a business customer devises a way to avoid using local lines — and paying local access charges — to connect with its long-distance carrier.

It is usually just a local's largest customers that threaten to do this — New York Telephone, for instance, saw Citicorp and American Express' Shearson Lehman unit install bypass equipment. But some studies show that while those businesses may represent as little as 6% of a local's customer base, bypass can mean the loss of up to 50% of a local phone company's revenues. That also can mean higher phone bills for the rest of us.

Ironically, AT&T is the local's biggest bypass threat. If a big client wants to connect directly with AT&T, the phone giant is only too happy to provide the service for a fee. Many speculate that in order to protect at least some of their profits, the locals may end up providing these services, too — in effect, bypassing themselves.

The operating companies dominate about 80% of the local-line market. But, in an attempt to circle the wagons around their more profitable customers — businesses — the locals are focusing a lot of their marketing efforts on that sector. "The [phone] companies aren't forgetting about their residential customers," reassures Jaegars, "but all the competition is for their high profit customers right now."

"Competition is not new to us," asserts Dorothy Dowling, manager of corporate advertising for **NYNEX.** Its region, serviced by its New York Telephone and New England Telephone units, is home to a diverse customer list that includes some of the largest corporations in the world. "We had competition earlier and harder than the rest of the country," she claims, due to the region's businesses getting the jump on developing their own phone networks.

The company says it expects its ad dollars for its corporate campaign and those of its units to total about $50 million in 1985.

Dowling says the corporation requests media plans from the phone company units to insure some sort on thematic consistency and to prevent a NYNEX traffic jam in a single publication. By and large, however, the advertising is decentralized within NYNEX, she says, which means each unit has its own advertising department and agencies.

All the competition, says Dowling, is forcing phone companies to be more innovative with their advertising, taking them beyond the standard office-with-equipment portrayals. Parent NYNEX, for instance, recently launched its "Jungle" campaign that illustrates, says Dowling, that "it's a jungle out there, but lots of different animals are co-existing." It's NYNEX's way of doing what many other regionals are doing at this stage of the game: acknowledging consumer confusion and then trying to clear it up.

NYNEX: Used to pitching for business from business.

The campaign is primarily print, and runs about 50-50 in newspapers and magazines. Buys include the *Wall Street Journal* and the *New York Times*, plus publications such as *Fortune, Business Week, Scientific American* and the executive editions of the newsweeklies. In addition, NYNEX sponsors *Information Age*, a series of five-minute shorts on Financial News Network.

New York Telephone, in contrast, launched a new series of residential-directed spots in November as part of its long-running "I can't live without you" campaign. The company sees market growth potential in discretionary calling in those areas with local measured service. Its ads are out to encourage the impulse call. The campaign runs in spot buys on the three networks as well as cable's CNN, USA Network and the Sports Channel. Radio stations run expanded 60-second versions and full-page four-color ads are seen in *The New York Times Magazine* as well as other local supplements.

On the other side of the country, **Pacific Telesis** has also launched a new campaign, called "Intelligent progress," a theme it thinks will appeal especially to its Silicon Valley customers. While PacTel aims for this to help its phone units' in their marketing efforts, it is trying to boost awareness of its corporate self. The company is, after all, moving into computer sales, publishing and consulting, among other things.

Media Records puts PacTel's newspaper spending at $5.1 million in 1984, and LNA shows expenditures of about $17.7 million that year for the corporation as well as its Pacific Bell unit, which claimed more than $14 million of the total. Its other operating unit, Nevada Bell, showed no expenditures.

Three 60-second "Intelligent progress" spots running in California markets highlight past examples of progress: the Suez Canal, the Golden Gate Bridge and the first U.S. weather satellite. Full-page print ads run in *California Business* magazine as well as West Coast editions of major business books.

"I think there's confusion out there among consumers as to who's the parent and who are the subsidiaries," says a PacTel spokesman. "It's in everybody's best interest to clear it up." He refers to a situation that, as the regionals start to diversify, concerns most of them. For one thing, potential investors need to be told which entity they can invest in. But also, he says, it should be clear to consumers just who is re-

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The Ideal Advertising Vehicle.
Motorland takes you right where you want to go–directly into the hands of California's most affluent consumers. With over 1.6 million paid subscribers, it's the area's best-selling magazine.

With an average reading time of 69 minutes, it's one of the most thoroughly read as well. Motorland reaches nearly half of all Northern Californians who took a domestic flight last year, and half of the area's two-car families who buy their cars new.

Motorland Readers...

ABC audited circulation 7/85:	1,601,900
Median household income:	$33,500
Own Car:	99.5%
Took foreign trip last 3 years:	69.2%

Source: MRI, San Francisco ADI double base

Motorland gives you a depth of market penetration that's unduplicated by any consumer magazine in the region. For a complete media kit, call or write Keith Radcliffe, Advertising Manager, at 415/565-2454.

Motorland
TRAVEL AND NEWS MAGAZINE
OF THE WESTERN MOTORIST
150 Van Ness Avenue
San Francisco, Ca. 94101-1860

Member ABC Audit Bureau of Circulations

sponsible for the quality of their service, as well as their rate hikes. "We have to be concerned about the possible tarnishing of an image."

Its Pacific Bell unit is taking a softer approach to its customers — both business and residential. Ads tell its business market that to be successful it helps to soften a business call by getting a little personal. The tv ads feature West Coast business personalities in the campaign, such as Paige Rense, editor-in-chief of *Architectural Digest*.

1st in a series

Before you call your Cousin in Chula Vista, call 1-800-521-4989, ext. 95. Ask about CALL BONUS.

Start saving up to 35% on short-distance calls
Call our 800# or 411* for your Pacific Bell Business Office number. Let us put a CALL BONUS Plan to work for you Today.

PACIFIC BELL

The locals are trying to hold onto their residential customers.

Its residential campaign, with the tag line "Don't drift away," has been so successful that Pacific Bell has sold it to three other operating companies in different regions. "The vast majority of calling that takes place in the residential market is emotional-based," says Jude Cote, director of advertising. She says company research showed that of the people who see their heart-tugging ad, 10% make a call right away. The campaign just runs on television, in slots that include morning, prime time and, of course, afternoon during the soaps.

Ameritech takes more of an all-in-the-family approach to advertising. The tag line of its new "Helping you communicate" campaign will be picked up by its five units: Illinois, Indiana, Michigan, Ohio and Wisconsin Bells. "We've gone a long way in cooperating with each other," boasts Sara Foley, Ameritech advertising manager.

Ameritech is using the theme its own way for its corporate ads. The tone of the ads — highly informational — was determined by the existence of so many industrialized cities in its region, she says. The strictly print corporate version will run in *Institutional Investor, Pensions & Investment Age*, as well as magazines like *Business Week* and *Forbes*. Though the campaign is aimed at business decision makers and the investment community, it will also appear in a few general audience publications, such as *USA Today* and the regional edition of *Newsweek*, in addition to trade publications like *Data Communications*. She says the parent has spent $10 million on corporate advertising since June 1983.

According to Carol Quanstrom, district manager of advertising at Illinois Bell, the Ameritech unit spent between $5 and $15 million in 1985. That figure doesn't include costs of its promotional programs, such as direct mail. As with all the operating companies, it does business-to-business advertising, especially emphasizing its custom Centrex multi-line service.

Its Centrex campaign may venture onto the airwaves in 1986, but for now can be seen in regional publications like *Crain's Chicago Business* and the *Chicago Tribune*, as well as trade books like *MIS Week*.

Its residential ads are trying hard to increase local usage, especially in areas where customers are charged for local chats.

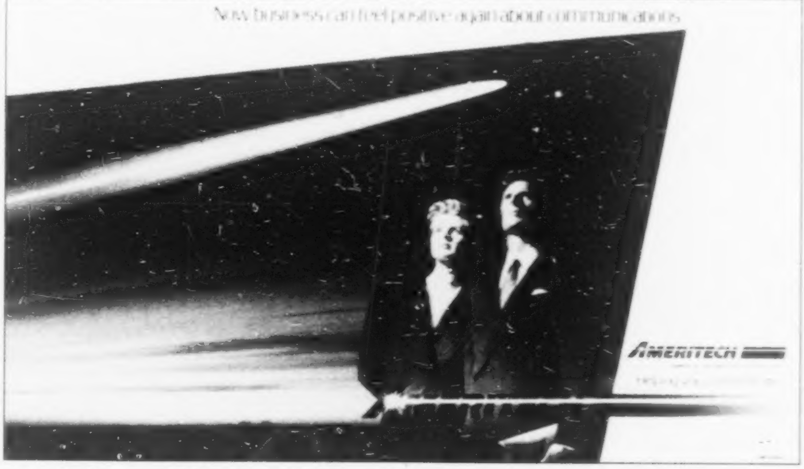
Residential-market ads also emphasize custom calling services: call-waiting, call-forwarding, three-way calling, etc. Though all carry the same slogan, "Keeping in touch is a touch easier with . . .," their media placements reflect different strategies. Call-waiting appeals to families (especially those with gabby teenagers) and its ads are female skewed. It receives a lot of daytime tv play, for instance. Call-forwarding, however, is a service more singles — especially men — go for. Ad placement leans to news shows.

In addition, residence-targeted ads run in regional editions of magazines like *Newsweek* and *People*, as well as the first sections in local newspapers. The local usage pitches even get some outdoor billboard space, as their messages communicate easily.

Another Ameritech unit, Michigan Bell, says it spent in the neighborhood of $7 million in 1985 to advertise its services, many of which are similar to Illinois Bell's. Its residential advertising, however, also talks up its "Line Backer" repair service in addition to encouraging long-distance use within Ameritech's region.

US West has three phone service units — Northwestern, Mountain and Pacific Northwest Bells — that cover a 14-state region. According to Jack Sommars, director of financial communications, corporate advertising cost US West $4 million this year. He says that parent and subsidiaries operate separately when it comes to marketing and advertising. LNA reports 1984 expenditures for the five of them as $9.8 million; Media Records shows additional newspaper expenditures of about $5 million.

The company has taken a page from the Marlboro Man's book in its Western-theme corporate ads. The Fallon McElligott Rice campaign has run since June of 1983 and is strictly targeted against the investment community (some of whom at one point received branding irons as a promotion). Sommars says the company


Now business can feel positive again about communications
AMERITECH

Ameritech is streaking into the future with a new corporate image.

launched its corporate campaign so early because they'd picked a name without "Bell" in it. Research showed that of all the regionals, their name was known the least among potential investors.

Ads tell investors to "start thinking of us as a growth company. We are not a utility. And we are not acting like one." *Institutional Investor*, *American Banker* and *The Economist* are among the publications US West advertises in, as well as the *Wall Street Journal*. As this print mix demonstrates, the ad doesn't run in regional papers because the message is aimed at Manhattan's financial center.

We're out to win our spurs.
USWEST

US West is riding herd on investors with an aggressive corporate campaign.

Where marketing is concerned, says Mary Manning, divisional staff manager of market management, Southwestern Bell Telephone, a unit of **Southwestern Bell**. "I think there's no question that we're going through school for the first time in some areas — like market research. Now," she adds, "we are the vendors."

SBT's ads to residential consumers focus on its "Tele-Help" campaign. The series of over ten informational booklets tell consumers what the company does and doesn't do any more, for instance, or how to understand their phone bills. They are advertised with spot tv and radio buys, Sunday magazines like *Parade*, and inserts included with phone bills. The ads carry the slogan "We're here to help." "We position ourselves as the company who cares — the humanized company," not a high-tech phone company, says Barbara Touchette, district staff manager of advertising. The company also pitches custom-calling services to residences.

"We're on-line with the future," is the slogan that reaches business customers. The company's campaign features customer testimonials from the likes of Monsanto and Texas Instruments. Spot television buys focus mainly on news shows. Print runs include regional editions of business books and newsweeklies. Ads also run in some telecommunications trade journals, whose numbers have grown from about four to 30 since the divestiture.

SBT's 1984 expenditures totaled about $14 million for measured media, according to LNA. Media Records lists its newspaper dollars at $5.7 million.

Bell Atlantic's region includes one very big customer: the federal government. "They pay us an awful lot of money, but they're looking for low-cost opportunities. We by no means have them locked up," states William Harral, assistant vice president of marketing operations. He says that 25%-30% of Bell Atlantic's business customers are bypassing to some degree already.

The company doesn't advertise or promote itself to the government. Instead, it deploys an army of representatives to get its message across, face-to-face. In addition, the company is a very visible presence at trade shows — some of which are "government specific." It also "lobbies" the network of consultants that help the government make its communications decisions.

On the other hand, Harral says, BA considers the residential market "a sleeping giant." It's a market in which A) the phone company can raise its rates and B) faces little competition because it is considered low-profit. Bell Atlantic focus groups have helped the company and its units divvy this market into five segments. Each is oriented to either the home, economic considerations, convenience, high-tech, or "indifference: those not really turned on by anything," he explains. Products, like its home security system, are developed for and marketed to individual segments. Spot tv buys feature both products specific and image-related ads.

Bell Atlantic recently unveiled a new, futuristic corporate campaign with the signature line, "We make technology work for you." Feeling it needs to have a name as recognizable as its units', the company says it will have spent between $10 million and $20 million by the end of 1985. The current campaign runs in a wide variety of publications, not just business books. Titles include the *New Yorker*, *Sports Illustrated* and *Time*, as well as trade publications.

Bell South, according to LNA, spent $2.3 million on its corporate ads in 1984. Media Records reports that the company as a whole spent about $7.2 million on newspapers that year. The parent is currently running a campaign in major financial publications. It also hopes to achieve the same thing that many of the regionals' corporate ads do: attract potential investors in the company's stock, as well as lure businesses to the region by promising state-of-the-art communications services.

South Central Bell, a unit along with Southern Bell, recently launched a campaign to business with the tag-line, "Putting your communications in a whole new light." "There was a perception with the breakup that we were just going to be a local dial-tone service," chuckles Frank Wiedmer, operations manager of business advertising.

The campaign runs in regional editions of business books as well as appearing in spot tv buys of business shows. South Central also relies heavily on direct mail to reach businesses.

"Call on us" is the theme of its ads to residential customers. Getting particular ad emphasis are the custom calling services, as well as long-distance calling within the company's region. Wiedmer says the company held back on pushing long-distance for a while just after the divestiture, waiting for the market to shake-out a bit.

It uses telemarketing extensively to reach residences, as well as direct mail. In addition, the company uses spot tv buys across the board as well as newspapers. Long-distance ads run in the home sections of papers because, company research shows, 60%-65% of residential long-distance calling is done by women. The company's 1985 budget, Wiedmer reports, will come in at $10 million to $15 million.

A Tele-Help ad from SBT: not a high-tech positioning.

Cellular phones

"Perhaps we went in with a more realistic view of the marketplace because of our background in radios and electronics, but I think a lot of those early projections were nonsense," comments Jim Caile, operations marketing manager for cellular phones at Motorola. He refers to lower than anticipated growth numbers for the portable, unwired telephone industry.

Still, cellular phones — more correctly called radios because they operate by radio signal — are already a $250 million business.

While the "mobile phone" market is populated with equipment offerings by many of the Bell regionals, **Motorola** leads the pack with an estimated 40% share. Other prominent names are NEC Electronics, OKI Electronics and General Electric.

The cellular radio, according to Caile, speaking in an interview from his car, will continue to penetrate the business market. "But it won't grow by leaps and bounds," he says, "because you have to cost-justify it." Motorola's line, for example, ranges in price from $1,485 to about $6,000.

Though word-of-mouth is the most important advertising medium, say those in the industry, LNA reports measured media ad spending of $7.6 million for the category in 1984. Motorola's expenditures, however, totaled about $7.9 million, according to combined figures from LNA, Media Records and Radio Expenditure Report. The other leaders show spending of under $1 million apiece.

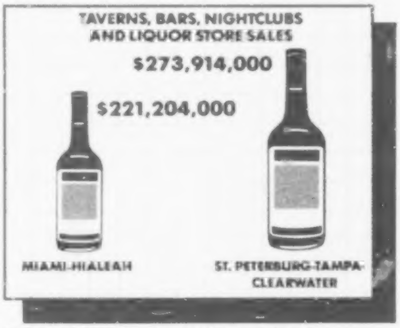
According to Caile, Motorola's media buys include business sections of local newspapers, as well as the *Wall Street Journal*; there are also buys in *Business Week*, *Newsweek* and *USA Today* are also on the list, he says, because they tend to be read by business people on the move — clearly, cellular's target market.

Carol Hall

Amazing
Liquor Fact:

THE ST. PETERSBURG-TAMPA-CLEARWATER METRO AREA IS FIRST IN FLORIDA FOR TAVERNS, BARS, NIGHTCLUBS AND LIQUOR STORE SALES.

In the nation's third leading state for distilled spirits sales, the St. Petersburg-Tampa-Clearwater metro also leads Florida in drinking place sales, liquor licenses and distributor sales of distilled spirits. So if you want to give your spirits a lift, call your St. Petersburg Times/Evening Independent representative. You'll get some amazing results.



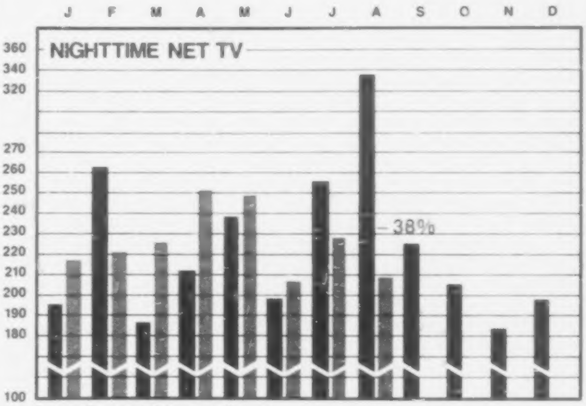
Source: 1984 Florida Department of Revenue Reports

St. Petersburg Times
evening Independent

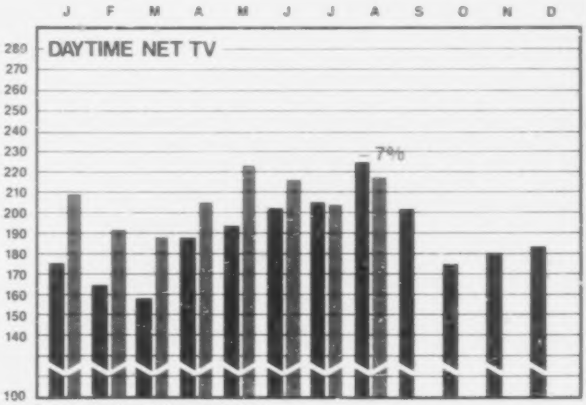
P.O. Box 1121, St. Petersburg, FL 33731
Telephone: 813/893-8249
Represented nationally by Story & Kelly-Smith, Inc.

MEDIA COST INDEX

Black bars index for 1984; color bars 1985; base year 1977



Source: Broadcast Advertisers Reports



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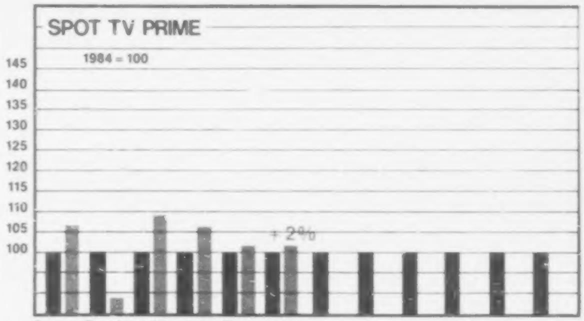

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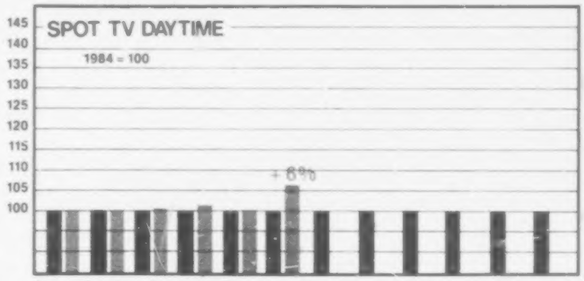
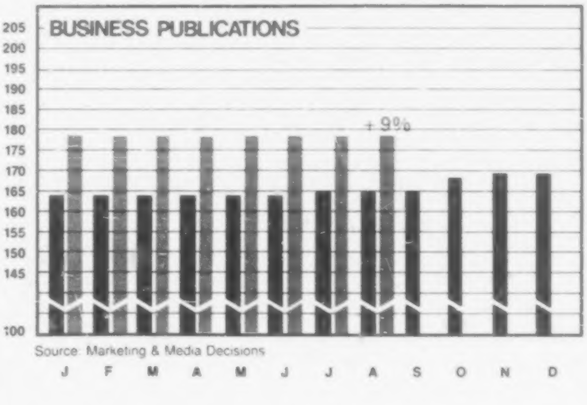


Source: Broadcast Advertisers Reports



Source: Marketing & Media Decisions

Those summer blahs continued to drive television advertising rates down in August. **Nighttime network tv** rates plunged 38% from a year ago, while **daytime network** rates fell 7% from August of 1984.

These drops, by far the biggest decreases of the year for both nighttime and daytime, are somewhat misleading. They were undoubtedly influenced by the big events of last August: the Olympics and the Republican Convention. **Spot tv** rates are compiled by BAR on a quarterly basis. The third-quarter rates should be available for publication next month.

The biggest change in the print media came in **national Sunday magazines**. Ad rates there were up only 1% over 1984, after steady monthly increases of 10-11% throughout the rest of 1985. This was due primarily to the lower rates resulting from the reorganization of *Family Weekly* into *USA Weekend* earlier this year.

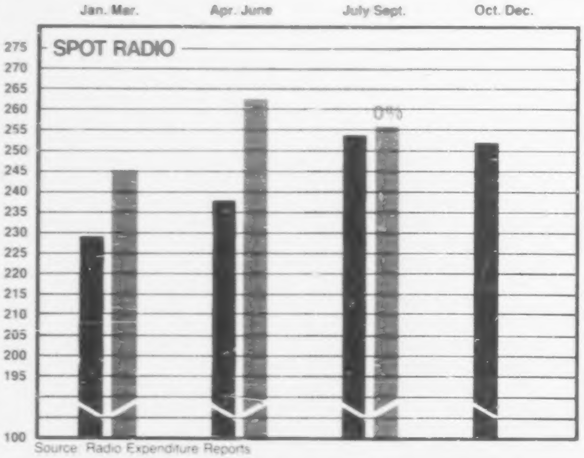
Consumer magazine rates were up by 8% in August, the same monthly increase reported for every month since February. **Business publications** were up by 9% for the fifth straight month. And **daily newspapers** increased their rates by 9% over a year ago, according to the Newspaper Advertising Bureau. They have been up by 7-9% all year.

Finally, in **outdoor advertising**, the Institute of Outdoor Advertising calculated August's rate increase at 7% — the same as for every month in 1985.

Network radio is being compiled this year on a new basis, in which BAR will include 15 networks, as opposed to the old seven. The cost trend is fluctuated gently for the last quarter. With January representing 100, the index shows July at 141, August at 137 and September closing the quarter at 138. There was no percent change in **spot radio** from what it was a year ago, according to the third quarter calculations from Radio Expenditure Reports.

MEDIA COST INDEX (continued)

Black bars index for 1984; color bars 1985; base year 1977



SPOT RADIO

Source: Radio Expenditure Reports

The Media Cost Index reflects trends extracted from available sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

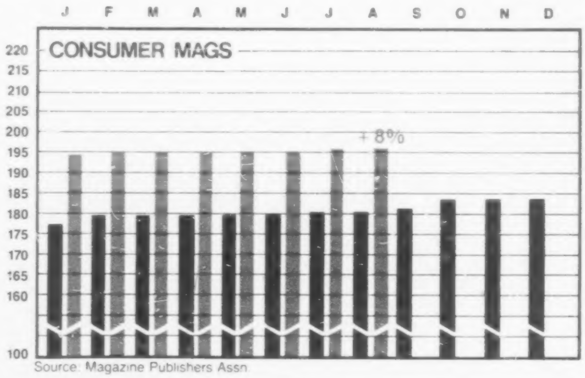
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

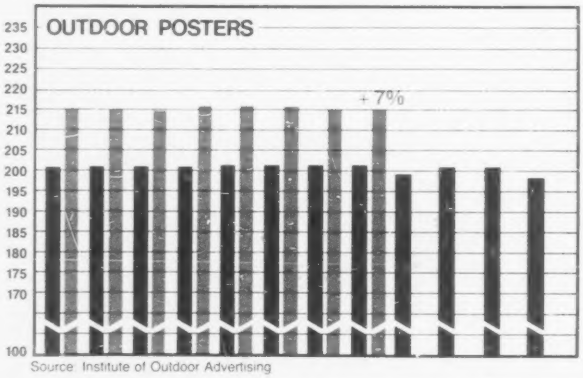
Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year 1977. Percent change shows rate of change from the same month in previous year.



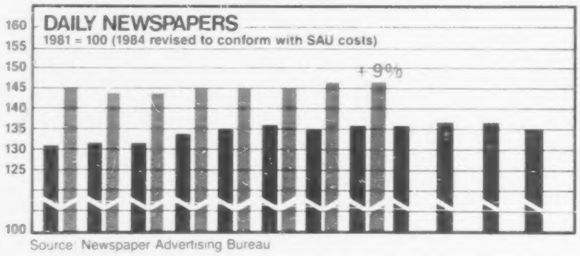
CONSUMER MAGS

Source: Magazine Publishers Assn.



OUTDOOR POSTERS

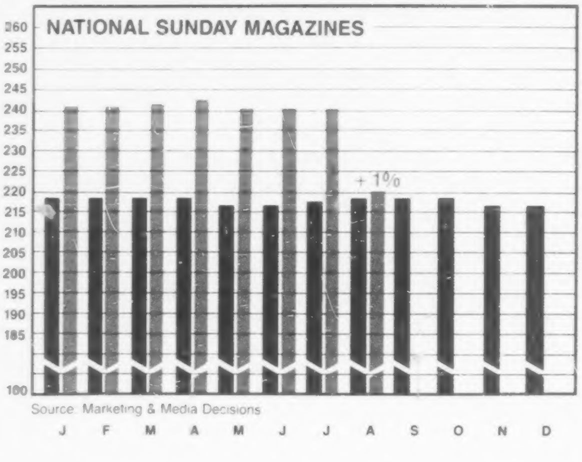
Source: Institute of Outdoor Advertising



DAILY NEWSPAPERS

1981 = 100 (1984 revised to conform with SAU costs)

Source: Newspaper Advertising Bureau



NATIONAL SUNDAY MAGAZINES

Source: Marketing & Media Decisions

SUNDAY MAGAZINES:

Continued from page 66.

years, the pension plan was the biggest show in town. There was little articulation of what this product was to the advertiser. We had to totally revise what we were doing." Dimmitt has wasted little time replacing the sales force, redefining sales goals and refining buys to a single order.

But he charges that he's up against some ungentlemanly selling. Gannett, he claims, threatened some fixed Metro accounts by telling national advertisers that they "had to buy *USA* in Gannett markets." Word on this had been out for a week, causing advertiser confusion, he says, before he received promises from Gannett that the practice would stop.

"That's not true," counters Gannett's Ray Gaulke. "What is true is that we were originally told by our own newspapers that they would move to the Metro waiver list. They were now aware that they could not do that. Some of our salespeople did misunderstand that."

Whatever the reason, *Denver Post* publisher/CEO Richard T. Schlosberg — whose paper carries both *USA Weekend* and a local magazine handled by Metro — learned from a colleague that advertisers were confused. Dimmitt fears the confusion will be costly. "It's made our problem of papers switching around the advertiser's problem," he says. "And that stinks."

Fortunes are brightening for locally edited magazines, according to Stephen Petranek, managing editor of *The Washington Post Magazine*. Petranek thinks that local magazines, made slicker, can win back retailers whose search for sharper reproduction has led them to abandon Sunday magazines and produce their own glossy catalogs. Upgrades at *The Los Angeles Times Magazine* and the San Francisco *Sunday Examiner & Chronicle* aim at the kind of success enjoyed by the industry standard-setter, *The New York Times Magazine*.

For years, *Home*, the magazine of the *Los Angeles Times*, reaped cozy profits with features on fashions, gardening and the like. Its shelter status, though, limited its appeal to male readers and auto and liquor advertisers. *The Los Angeles Times Magazine*, the paper's new lifestyle vehicle, hopes standard size, coated stock, and a 60-lb. cover will broaden appeal.

"*The Los Angeles Times Magazine* gets out of the realm of Sunday roto magazines and into something more slick," says Ron Vartanyan, vice president and associate media director at Jordon, Case, Taylor & McGrath. Other advertisers were moved enough by the product and promotion to buy a total of 80 pages — about 60% of them national — in the launch issue, more than four times the average page tally of predecessor *Home*. "If any others follow suit, we'll sure take a look at them," affirms Vartanyan.

Los Angeles Times Magazine
Image

The Los Angeles Times Magazine *and San Francisco's* Image *show a new style for local magazines.*

He'll only have to look to San Francisco. Executives at the *Sunday Examiner & Chronicle* studied their *California Living* standby and decided they needed a new product to draw more advertising and greater pass-along. The magazine, *Image*, appeared October 6, the same day the *Times* launched its standard-sized magazine.

"The important thing is the conscious effort to upgrade editorial that has accompanied the downsizing — a welcome change," thinks Harry Glass at Bozell & Jacobs. "Sunday magazines have a general reputation for mediocre quality. Downsizing should lead to increased business."

Standard magazine size isn't the only option open to Sunday papers. Petranek, for one, notes that *The Washington Post Magazine* is considering various sizes and expects others to do the same. He points out that fast-improving digital technology dubbed "electronic preliminary," already in operation at R.R. Donnelley & Sons Co., will soon accommodate ad mechanicals of all sizes and let locals fit their looks to their markets.

But downsizing raises pricey questions for papers which lack the capital machinery of the *Los Angeles Times*. As Vance Stickell, the paper's executive vice president of marketing, concedes, while the company envisions "a separate profit center" in the revamped magazine, they can afford to continue funding at the sight of red.

High costs of new presses and materials have already deterred a few magazines that were expected to appear in smaller size. *San Jose Mercury News* president and publisher Tony Ridder, for one, dreamed of dropping *Parade* to hunt nationwide dollars with a revamped *West* — but not after being told he'd have to double his ad pool to afford the production increases.

Looking like a magazine is only half the battle, anyway, to Dancer Fitzgerald Sample's Allen Banks. "People don't buy the Sunday magazines like they buy magazines," he says. "They buy a newspaper, and in that they obtain this magazine. They don't have the opportunity to indicate their desire for it as opposed to other publications." And "the major concern" to DDB's Mike Drexler "is still that the absolute cost for continuing campaigns is prohibitive to a lot of companies." From Drexler's panoramic view, "nothing has changed dramatically."

Or has it? While Banks doubts the shuffling will change the "promotional" nature of the Sunday field, he eyes the showdown in major markets. "This will give us the opportunity to pick out the best publications for our clients: which ones *do* have better positioning, better pricing structure, better promotional capabilities."

Even *Parade*'s Vittorini is willing to give *USA* a little credit as the "catalyst" for change and advertisers' attention. "The way Gannett is packaging *USA Today*, *USA Weekend* and Gannett Outdoor," he says, "is a whole new philosophy." *Fred Pfaff*

MARKETING & MEDIA Decisions

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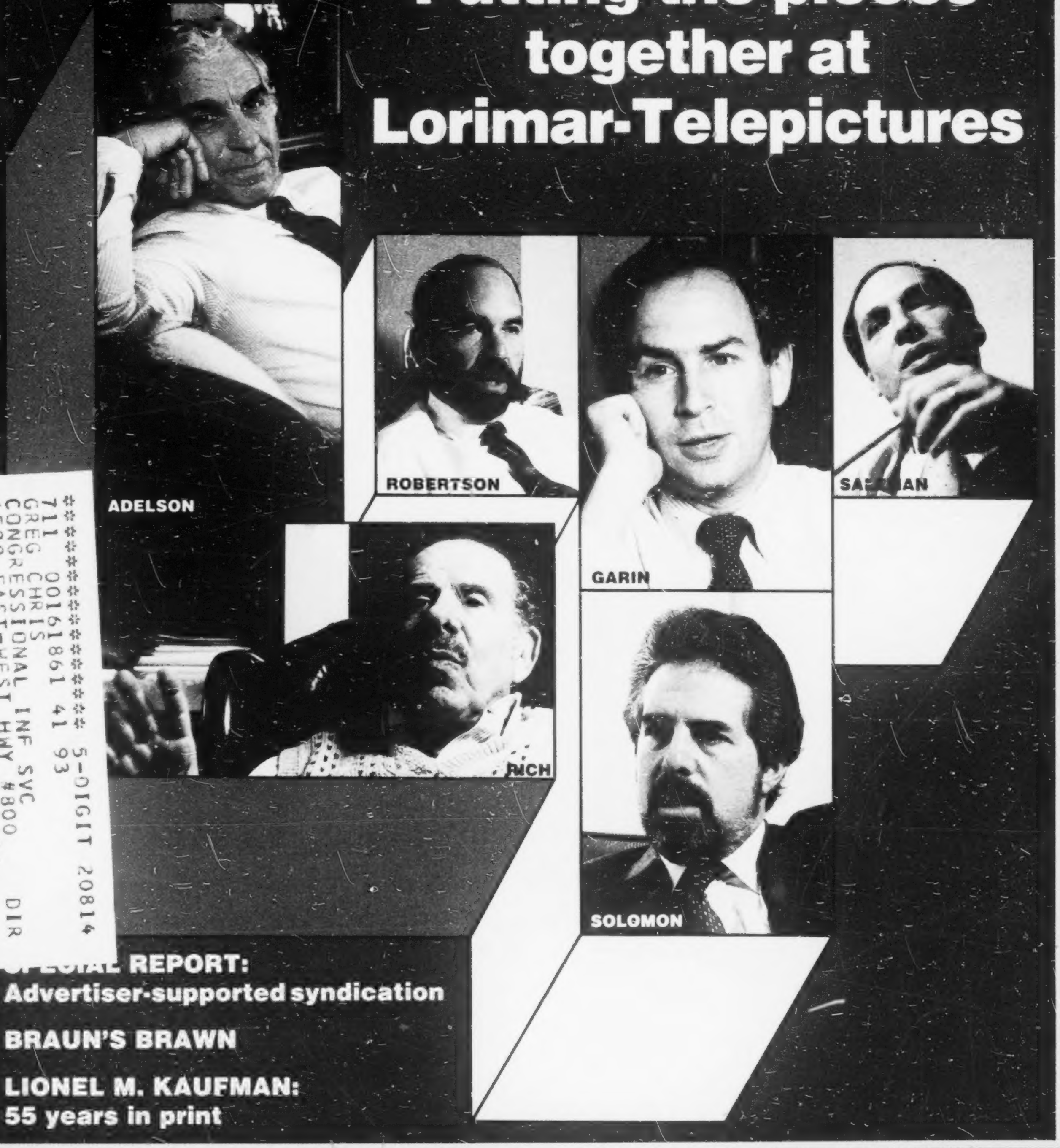
C29503

Putting the pieces together at Lorimar-Telepictures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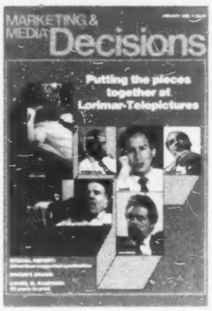
SPECIAL REPORT:
Advertiser-supported syndication

BRAUN'S BRAWN

LIONEL M. KAUFMAN:
55 years in print



CONTENTS

JANUARY 1986, VOL. 21, NO. 1

Lorimar (letter "L"): (Top) Merv Adelson, chairman and chief executive officer; Lee Rich, president.
Telepictures (letter "T"): (Top, left to right) Richard T. Robertson, executive vice president; Michael Garin, president, chief operating officer; David Salzman, vice chairman; (lower) Michael Jay Solomon, chairman, chief executive officer.

Features

40 Lorimar-Telepictures and the ties that bind
It's hoped that substance will triumph over style in this entertainment industry megamerger.

48 LMK and the print beat
Fifty-five years after entering the media/advertising world, our perspectives editor, Lionel M. Kaufman, is set to retire. But first he has a few words of his own to add to his extensive print coverage.

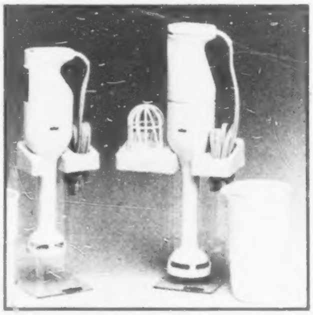
58 Beefing up Braun in the U.S.
Their image is class, their prices are premium, and their distribution is upscale. Can this West German company, a subsidiary of Gillette, translate its niche into a broader market?

63 Special Report: Syndication
Advertisers invested close to $600 million in ad-supported syndication in 1985. Herewith, in anticipation of the NATPE meeting this month in New Orleans, a look ahead at the potential and programing for 1986.
- **64 A programing preview**
- **74 How Kraft buys syndication**
- **75 How General Mills buys syndication**
- **78 Life after the networks**
- **84 Point/counterpoint/poll**

98 Brand Report 129: Brandies, cordials, liqueurs
The spirited growth in this segment is making liquor marketers giddy in an otherwise-gloomy year for the high-alcohol category.

Focus on . . .

***Falcon Crest* as matchmaker**
(Page 40)



Braun mixes in
(Page 58)

The menace returns!
(Page 63)

Departments

2 Focus on Marketing
4 Campaigns
8 Direct Marketing
10 Futures
14 D.C.
17 Print Beat
20 Sales Promotion
24 Update
28 New in Media
32 Newsmakers
36 Marketing & Media Futures
38 Homework
95 Broadcast Beat
108 Media Cost Index

As They See It

86 Mediology
Allen Banks

88 Outdoor
Dick Briggs

89 Television
Larry Kelly

90 Newspapers
Linda Rhault

90 Magazines
Bonnie Barest

92 Radio
Dennis McGuire

Cover photographs by
Larry Barns (Adelson, Robertson & Garin) and Max Aguilera-Hellweg (Salzman, Solomon & Rich)

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SALES PROMOTION

To market, to market

Shortly after leaving business school and a few weeks of indoctrination, the new assistant product manager at most packaged goods companies starts to realize there's an undeniable third party in the marketing game — the retailer and the new retailing environment.

After all the money and creative energy spent on one's new tv campaign, it's somewhat frustrating to learn that as much as two-thirds of all brand decisions are made right in front of the retail shelves of America. Two studies (one old, one new) deviate on the actual degree of this wanton shopping behavior.

The DuPont-POPAI (Point of Purchase Advertising Institute) study reported in 1977 that 64.8% of all purchase decisions were made in the store, including 47% unplanned purchases due to P-O-P, pricing and other incentives. *Progressive Grocer*, however, reports more planning including clipping coupons and looking for supermarket specials (see Chart I). On the other hand, 46% of supermarket shoppers frequently or almost always deviate from their shopping list and more than one out of three makes an impulse purchase.

Added to these facts are continuing studies showing the effects of in-store activity such as displays and in-store couponing or sampling. It all adds up to a growing desire by manufacturers for more in-store techniques which they can control.

There are four ways to categorize merchandising activity that can affect the consumer at the retail level:

1. Displays resulting from trade promotional "deals."
2. Various P-O-P material generally placed, when possible, by the marketers' sales/broker force.
3. In-store activity (hand out of coupons and/or samples).
4. Controlled placement of in-store advertising contracted in advance with retail chains by "third parties."

Increased movement with displays and other retail support have become pretty much "par for the course." But with more thorough retail scanner audits and analyses, companies can now compare the interaction of different activity. A very specific example comes from the Majers/Trim's "Display Impact Project," presented at the recent ANA promotion workshop. Case #1, Oreo Cookies, shows an index of 286 during the key promoted week across all stores in a Western chain. But comparisons of stores with displays and reduced price features vs. stores with only reduced price features show that movement nearly doubled (index of 531 — see Chart II).

Marketing the retail marketplace

Currently three marketing services

I

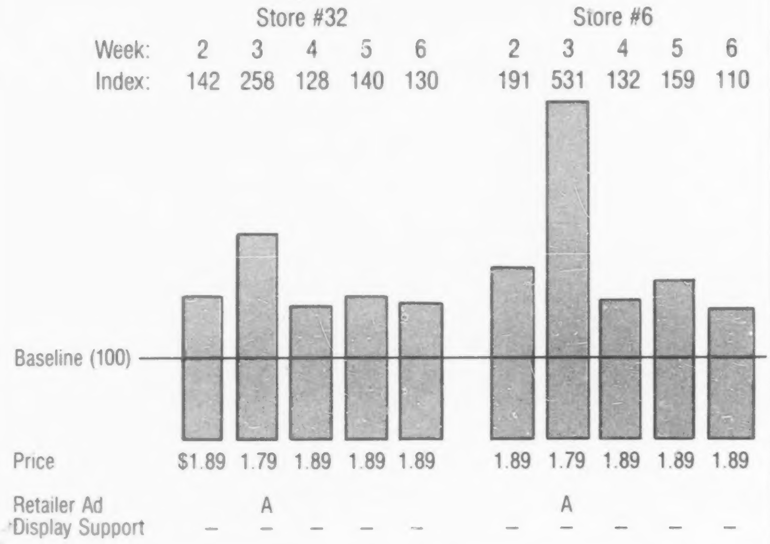
Shoppers Planning and Purchasing Habits*

	Make a list	Check ads	Check coupons	Deviate from list	Make impulse purchase
Almost always	75%	65%	62%	20%	13%
Frequently	13%	15%	17%	26%	24%
Occasionally	7%	9%	13%	40%	48%
Almost never	5%	11%	8%	14%	15%

*Source: *Progressive Grocer Annual Report 1985*

II

Oreo Cookie Promotion
Selected Chain Stores



Fifty-five years in print, from "B.T." to "A.T."

Lionel Kaufman, our man in print, will retire this month after a long and distinguished career in covering these media. But not without his parting shots.

As I look back over a 55-year career, I must divide it into two periods: "B.T." (before television) and "A.T." (after television).

Television is undoubtedly the most important addition to the media mix in all my years. Tv really had two "births." In 1949, it joined the media mix to face the masses with sight, sound and motion and an intrusive demand on their attention. The advertiser was allowed 60 seconds — then 30, now going on 15 — so its main objective was brand awareness. It was an entertainment medium that changed the message of advertising from information to entertainment — jingles, slices of life, spokesmen from sports and show business.

Television's second "birth" came in the 1970's when agency staffs started filling up with people who had been exposed to 20,000 tv commercials before they read their first print advertisement. To them jingles were a way of life. Television was not just a mass medium; it was the medium for all types of products — class products, luxury products, even business products. The media mix became network tv, spot tv, syndication, with print as a promotional add-on. Brand awareness was the be-all and end-all of advertising. For needed information, "Read the label," "Follow directions."

1930 was not the best year for the *Columbia Spectator*'s advertising director to enter the real advertising world.

In the 1930's agencies weren't hiring; they were firing. They were merging not for aggressive growth, but for self-preservation. A slew of people lost their jobs when George Batten Company joined Barton Durstine & Osborne, and the H. K. McCann Co. joined the Erickson Company.

CAROL PHILLIPS

Lionel M. Kaufman, a Decisions-*maker for over 18 years.*

The big agencies maintained Hollywood offices to produce radio shows their clients sponsored. Back in New York they were working on newspaper ads, ads for the dominant *Saturday Evening Post* and *Collier's* and the women's magazines. Clients who needed the smaller-ticket trade papers were advised to give that to an industrial agency such as Basford or Fuller & Smith. There were special agencies for overseas.

The first lesson television, the new competitor, taught the magazines was that they were not a mass general medium, but a selective one. Fiction fell victim to soaps and sitcoms, with the confession books hit hardest. Fiction favorites *Redbook* and *Cosmopolitan* survived only by repositioning themselves as special interest media. *Redbook* adopted the young adults; *Cosmo* went the "Sex and the Single Girl" way with author Helen Gurley Brown.

The four big magazine victims to television — *Saturday Evening Post, Collier's, Life* and *Look* — were the B.T. giants that chose to fight a numbers battle with tv. After a decade of buying unprofitable cut-rate circulation, they succumbed one by one, though two are back on a smaller specialized scale. The only mass circulation all-things-to-all-people book that has survived to this day is *Reader's Digest*, which built a multi-million circulation profitably without advertising. A new "special interest" — tv programing — was destined to produce the largest circulation weekly: *TV Guide*.

Television changed the way magazines and eventually newspapers counted their numbers. In the B.T. period all media measured the number of copies they printed and sold. Then they realized they were competing with tv's count of total audience.

After Alfred Politz counted readers for *Life* — pass along as well as primary — all major magazines got together on the first Simmons audience study. Simmons measured not just how many, but what kind of people magazines covered. Thus demographics were born. Ages were measured, incomes, education, marital status, home ownership, children — all the significant marketing details were spelled out.

Simmons insisted his ratings were estimates, but agencies fed them into their computers as data. Later Britisher Timothy Joyce brought over a second audience study, using a "recent reading" methodology instead of Simmons' "through the book" method. When his numbers differed from Simmons', magazine audience studies fell into disrepute.

Total audience's replacement of circulation realigned magazine schedules. *Good Housekeeping*'s pass along catapulted it to the top of the women's books in efficiency. *Life*'s numbers boomed. *Time*'s circulation advantage became *Newsweek*'s pass along advantage. Some magazines were hurt.

The Sunday magazines were stung when *Life*, *Look* and the women's books added their pass-along circulations. Later the Sundays discovered the other side of that coin: They accumulated their millions in 48 hours, while the other books took weeks. This had a mixed result: Many agencies pigeonholed the Sundays in the promotion corner.

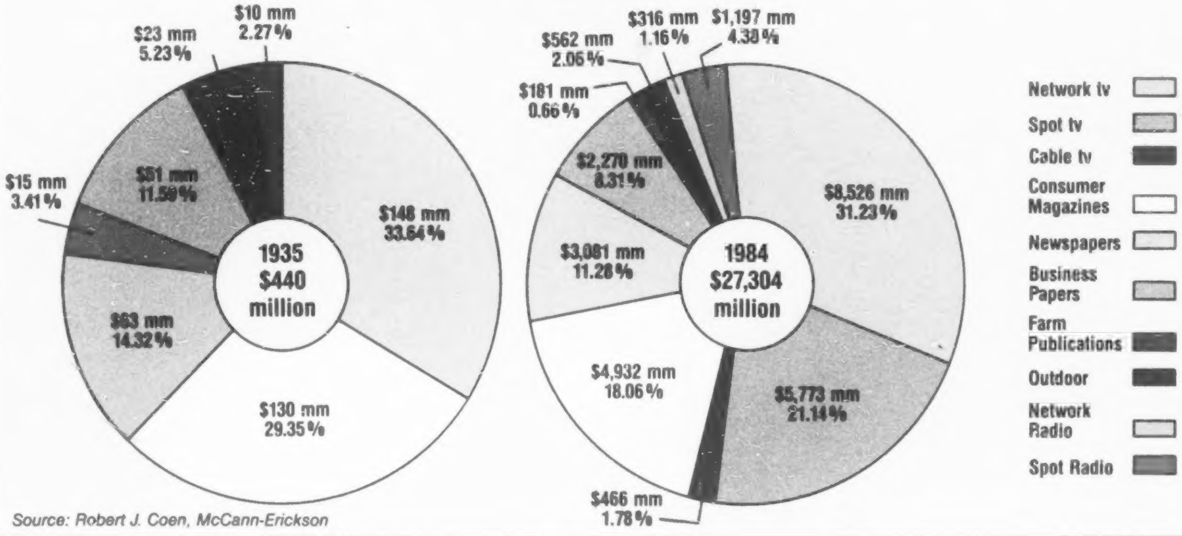
Reader's Digest, whose readers didn't pass it along but picked it up again and again, objected to the Simmons technique. They hired Politz to measure "Ad Page Exposure" (APX), the number of times a page is opened. They asked other magazines to join. Some did; *Life* refused, but the *Digest* paid for *Life* to be measured anyway. Now that the current MRI audience study is again measuring page exposure, *Reader's Digest* is using these new numbers.

The agencies, meanwhile, in using tv for selective products, asked the nets to show demographics. Tv broke out the Nielsen diaries by just age and sex. That small 1,200 sample brought out such small numbers that they had to give broad readings. Magazines' 18 to 24 became tv's 18 to 49. I once asked Jackie DaCosta of Ted Bates, who chaired the American Association of Advertising Agencies' (4A's) media research committee, "Did you ever see a pair of 18's on a double date with a pair of 49's?" SMRB has since begun to supply more demographic information for tv, but the research is still based on a small sample size.

Newspapers were the last major medium to get on the syndicated research bandwagon. One sample can't measure newspapers; each has its own market, needs its own sample. Newspapers started making their own proprietary studies, with the major papers calling in well known researchers such as Belden and Scarborough. To give an overall picture the Newspaper Advertising Bureau (NAB) filed the studies of the major papers, extrapolated simulated studies for the smaller papers, and formed a "Can Do" data bank.

But agencies wouldn't accept proprietary studies. Audience measurement must be done about you, not by you, they said. The NAB produced an umbrella study by asking Simmons to ask his magazine sample: "Did you

The National Advertising Pie
Sliced for commissionable media



Source: Robert J. Coen, McCann-Erickson

Proof positive

Television and print make an apples-and-oranges comparison, except at one place: the check-out counter.

Two landmark tests stand out on the relationship of the media and ad effectiveness. Both were made by leading advertisers tracking the sales results of their own advertising.

Rich's department store (Atlanta) — 1970

Rich's, together with Cox Broadcasting and Atlanta Newspapers, tested "the relative importance of newspapers, television and radio as a source of influence on shoppers' decisions to purchase specific items."

For three days prior to Rich's annual Harvest Sale, they ran 11.6 pages of newspaper advertising, 177 tv commercials and 261 radio commercials spaced throughout the day. Thirty-eight percent of the budget was spent in newspapers; 62% in broadcast. Advertised were five soft goods items, five hard goods items. An independent researcher interviewed 2,176 purchasers of ~~the~~ advertised items at the counter.

Fifty-two percent of the shoppers said their purchases were inspired by the advertising they read, viewed or heard. Of these, 71% mentioned newspaper advertising, 28% mentioned tv, 9% mentioned radio.

Dollar for dollar, newspapers delivered more than three times the influence of radio and tv combined on specific purchase decisions.

General Foods — 1971

Life, *Look* and *Reader's Digest* picked up the tab for this test, but let GF make its own test.

Over a 16-month period, General Foods tested advertising and sales of five GF products in the $2 million-$4 million budget areas, in six key markets. GF's research department conducted 50,000 interviews with consumer families. Copy on both the print and tv ads was pretested to make sure it was equally effective in each case.

In the test markets, GF transferred one-third of its budget from tv to magazines for four products: dessert topping, seasoned coating mix, ready-to-eat cereal and ground coffee. One brand, packaged pre-cooked rice, ran exclusively in magazines. The control markets maintained their normal 100%-tv budgets.

Summary/Sales Analysis Grids

	Trend Advantages		
	East	**Central**	**West**
"Dessert Topping"			
High-Franchise Stores	•	•	m
Low-Franchise Stores	•	•	•
Total	•	m	•
"Seasoned Coating Mix"			
High-Franchise Stores	•	T	•
Low-Franchise Stores	•	t	t
Total	m	T	•
"Ready-To-Eat Cereal"			
High-Franchise Stores	M	M	•
Low-Franchise Stores	M	•	T
Total	M	m	•
"Ground Coffee"			
High-Franchise Stores	•	NOT TESTED	•
Low-Franchise Stores	•		M
Total	•		•
"Packaged Pre-Cooked Rice"			
High-Franchise Stores	•	•	M
Low-Franchise Stores	•	•	•
Total	•	•	•

Code: M: Definitely Favorable to Magazines
m: Moderately Favorable to Magazines
T: Definitely Favorable to Television
t: Moderately Favorable to Television
•: No Significant Difference

As the chart indicates, magazines fared very well in results measured by Nielsen Sales Audit and 50,000 product interviews.

The conclusion drawn by General Foods: "The test shows that magazines can provide our products with an effective selling vehicle — one that is generally comparable with television."

read a newspaper yesterday?" Year after year, 70% of the sample answered "yes," and the average newspaper showed 2.2 readers per copy.

Still missing were paper-by-paper data that the time-sharing services could put on line with tv and magazines for agency planners. Finally, after an initial study by Bill Simmons, SMRB came up with a 1984 study of the top 50 ADI's showing 2.7 readers per copy. Even the newspapers felt that was too high, but a few months later, a competitive study by Scarborough came up with the very same 2.7 rpc's. Both used the same methodology — measuring yesterday readership — and both were monitored by the Advertising Research Foundation. Newspapers now have audience data on the major markets right at the agency planner's hand. Too many agencies are still using mere circulation which shortchanges the newspapers.

Landmarks along the way

A landmark in the A.T. period came when Washington started asking for "full disclosure" of advertising claims. That was too much for tv's 30-second commercials. Print media felt their day had come. Advertisers would now have to use a media mix for both claims and substantiation.

The agencies didn't see it that way. They sent a delegation to Washington to explain advertising to the Federal Trade Commission. A speech by SSC&B's then-chairman Al Seaman is typical of their stand. Seaman called his speech "The Power of Words." He told the FTC that words have shaped our civilization. He pointed to the Bible, the Declaration of Independence, Dickens, Shakespeare. He added that words are the tools of the advertising business. "But you must remember, gentlemen," he added, "we can use only as many words as you can get into 30 seconds." Then he went down the list of questions the FTC had asked the delegation to answer. His answer to all: "You can't get that into 30 seconds."

The blinders remain intact. The 30-second commercial has survived, and for many products is the sole unit of communication. If anything will replace it, it will probably be a 15-second commercial.

Another landmark in advertising

came on New Year's Day, 1971. That was cigarettes' last day on television. In 1970 tv had taken 74% of cigarettes' $270 million ad budgets.

In print, there was a race to nail down magazine back covers and other prime positions. Newspaper ads were planned, and especially Sunday magazines, because they were a "network" buy that offered color. Outdoor got its share, and sponsored sports events were dreamed up. When all the print media were lined up a problem arose: There just weren't enough to absorb the dollars spent on tv. One Wall Street analyst divided a top tobacco company's 1970 tv budget by its number of shares, and the stock jumped five points for the day.

Advertising people resigned themselves to tv-less schedules, but over and over they asked, "How will we ever introduce a new brand without tv?" Only four new brands braved the new print world in the first two years, compared with 17 introductions in the last two tv years. But by 1974, the Tobacco Merchants Association counted 26 new launches, and there were just under 30 each year till 1980.

Not every print medium welcomed this windfall. The American Lung Association counts 41 magazines refusing cigarettes, including *Good Housekeeping*, *National Geographic*, *New Yorker*, *Reader's Digest* and *Scientific American*.

It's a sad but true fact that without cigarettes some new magazines could never have made it. While advertisers usually wait for a new book to survive its first year and get an ABC audit, cigarettes have rushed in to pin down franchised positions.

Altogether magazines' cigarette dollar volume rose from $55.3 million in 1970 to $416.4 million in 1984 — thanks to both cigarettes and inflation.

Among newspapers, the *New York Times* agreed to accept cigarettes only if the ads carried a warning box from the Surgeon General. Gradually that *Times* box came to Washington's attention, and they ordered it in all cigarette ads.

With their warning box now beefed up with disease specifics, and the American Medical Association voting to ban all cigarette advertising, tobacco could eventually disappear from print also, and a search for a successor income producer is in order.

Crossing the lines

When television faced the loss of $200 million cigarette dollars, they decided to aim at retail, newspapers' leading classification.

Thus began a competition between two media equipped entirely differently for retail advertising. Newspapers are a "window shopping" medium, where the reader finds a Saks dress on one page, a Bloomingdale's dress on the next page, a Bonwit dress further on — then turns back and compares. Television, designed to get the advertiser's name remembered with minimum clutter and competition, had built "brand protection." Saks' dress could come at 8:00 p.m., Bloomingdale's at 8:30, Bonwit's at 9:00.

Television's mass power has made deep inroads into retail, but its own kind of retail. Fast-food restaurants account for almost half of all tv's retail dollars. Filling out tv's top five retail classifications are auto dealers, supermarkets, banks and furniture stores.

Television's tongue hangs out at those big apparel ads the stores run in newspapers. The Television Bureau of Advertising (TvB) has run several "fashion workshops" to break this barrier. At one they invited Paul Leblang, marketing vice president of Saks Fifth Avenue, to be keynote speaker. Leblang thanked them for letting him go through tv's file of fashion ads. He then said, "I didn't find a quality fashion ad there. And what's more, you're not going to get any until you give us an editorial environment in which fashion can feel comfortable."

Commissionable Media Shares
National Advertising

	1935	% of total	1985	% of total
Newspapers	148	33.64%	3,061	11.28%
Magazines	130	29.55%	4,932	18.06%
Farm Publications	10	2.27%	181	0.66%
TV-Network	–	–	8,526	31.23%
TV-Spot	–	–	5,773	21.14%
TV-Cable	–	–	466	1.71%
Radio-Network	63	14.32%	316	1.16%
Radio-Spot	15	3.41%	1,197	4.38%
Business Publications	51	11.59%	2,270	8.31%
Outdoor	23	5.23%	562	2.06%
TOTAL	440	–	27,304	–

Source: Robert J. Coen, McCann-Erickson

Undoubtedly, the most controversial subject I've ever run into is the allegations of magazine rate cutting, a perception fed by the negotiation practices of tv buying. The charges first surfaced in 1970, when tv was still a buyer's market and tv deals stood out in contrast to the magazine rate card. Magazines *were* inventing discounts, but discounts available to all advertisers.

Amidst reports of rubber rate cards, *Decisions* tackled the topic in an in-depth report. Advertisers unanimously denied having received any off-card offers; agencies were divided, but wouldn't reveal their sources; most magazines said their competitors were cutting rates. As one advertiser put it, "Every magazine but the one that's calling on me is cutting rates."

Magazines told me that agencies, while complaining, were themselves trying to break the rate card.

Could the agency be greeting the *Family Circle* rep with the claim that "*Woman's Day* is giving me 10%

off," and the *Family Circle* salesperson be spreading that false rumor?

The 4A's magazine committee voted to make its own investigation. Though very hush-hush, the committee chairman later told me, "We found rate cutting only with a few unrecognized books."

We ran into some interesting happenings, though. In one case, regional remnants, which magazines regularly sell at half price to mail-order advertisers, had been swapped with local stations for circulation promotion, and ended up at Pepper & Tanner, the Memphis barter house. When we asked Pepper for some space, they said, "We have to charge card rate." Then they added, ". . . but we'll throw in 20% worth of tv commercials from our inventory." Who was cutting rates here — magazines or tv?

Undoubtedly, the most controversial subject in the magazine field is allegations of magazine rate cutting.

Today we're 15 years later into the age of negotiation. More books than ever are battling for a shrunken page volume. We hear reports of special deals. Magazines are still trying to be discount houses, not pushcarts, but too many agencies are out to destroy their rate cards.

Those 1,700 newspapers.

The newspaper medium is like the United Nations: The little ones have the numbers, but a few key market papers control the volume of circulation and attention of national advertisers.

According to "Press and Public," a book by NAB executive vice president and general manager Leo Bogart, most newspapers have fewer than 15,000 circulation. The 12,054 *Montpelier (Vt.) Times-Argus* is the median.

The big news is when a *Philadelphia Bulletin* or a *Buffalo Courier* folds. That's a big circulation loss, and part of it never comes back to the medium.

Over the past 40 years, the number of daily newspapers has dropped just 3.5% — from 1,749 to 1,688. Circulation has grown 45.4% — to 63.1 million. But circulation hasn't grown as fast as households. Up to 1970 each household had more than one newspaper; today there are fewer than 70 per each 100 homes.

Our changing lifestyles are the reason. The extended family, where one home-delivered paper was shared by young and old, has divided into several households not all accessible to the newsboy. The higher cost of newspapers has cut down the two-papers-a-day readers and increased pass along to 2.7 readers per copy. The automobile, by replacing common transportation, removed a reading opportunity. Our increasing foreign population, and our frightening 60 million functional illiterates, adds more non-readers.

Evening newspapers have declined while morning papers have grown. Forty years ago America was reading 29.1 million p.m. papers to 19.2 million a.m.'s. Today it's 35.4 million a.m.'s to 27.7 p.m.'s.

Television's evening news is undoubtedly a major reason why. Most important is the movement of the middle and upper classes from the city to suburbs. The morning paper has all night and trafficless roads to follow its readers. The evening paper must stick closer to the center city.

While evening tv news has eaten into evening newspaper reading, it hasn't affected newspapers' status as a public source of news. People interested in news turn to more than one medium. A recent Audits & Surveys study of 1,979 adults found that 91% read or viewed news "yesterday." Here's where they got their news:

Newspapers, tv and radio	25%
Newspapers and tv	23%
Newspapers and radio	8%
Tv and radio	9%
Newspapers only	11%
Tv only	10%
Radio only	5%
Not exposed to news	9%
Newspapers (net)	67%
Tv (net)	67%
Radio (net)	48%

Today, newspapers remain number one in advertising dollar volume. But $20 billion of their $23 billion are retail or classified. In national, newspapers have shrunk from 33.6% of the national ad pie in 1935 to 11.3% in 1984 (see chart, page 49).

Newspapers' top national classifications, according to the NAB, are (1) transportation (airlines, buses, railroads), $526 million; (2) automotive, $521 million; (3) tobacco, $236 million; (4) media and publishing (including tv), $230 million; (5) food; $166 million; and (6) liquor, $105 million.

The feeling on Madison Avenue, however, has always been that "newspapers aren't interested in national advertising." That's belied by the millions newspapers spend to maintain a chain of national reps with offices in all advertising centers, and a highly professional NAB.

Actually newspapers get many more national dollars than that 11.3%. It's estimated that almost $2 billion in national dollars get to the newspapers in the form of co-op advertising. A main reason for this is the national/retail rate differential which the 4A's says averaged 60.5% last year.

While newspapers are trending nationally, magazines are rounding out their medium with local titles.

With 54% of retail dollars now coming from national chains advertising their own branded products, this differential is ripe for a change.

Many newspapers are known to be planning their own time tables for narrowing this gap. Several newspapers have already gone to a single rate. National advertisers won't be impressed until all newspapers do, yet any concerted action on rates would bring the FTC down on the newspapers.

When they took their first step in this direction — Newsplan volume discounts for national advertiser — an attorney stood by the side of the speaker announcing the plan. Discounts were set at various levels up to 52 pages, and R. J. Reynolds made them extend that to 104 pages.

Regular advertisers got a break with Newsplan, but no new advertisers showed up. Agencies complained, "They don't understand how we buy newspapers. We don't sign up-front

Continued on page 111

picture,'' Des Marais warns.

More good news for the barter syndicators is that new dayparts are opening up for them. While kids shows, access and early fringe may be reaching saturation, daytime, prime and late night are just beginning to go barter. Mark Riely, broadcast analyst for Eberstadt-Fleming, says prime will be the fastest growing daypart for barter throughout the rest of the decade. His report pegged barter at $600 million this season, with access taking more than half, $330 million. (See chart p. 67). ''We believe that the introduction of first-run movie packages will set the stage for further development of this time period, as syndicators attempt to build broader prime time packages around the motion pictures,'' Riely observes.

OPRAH WINFREY

DAYTIME AND EARLY FRINGE

Title	Distributor	National units per episode	Notes
Oprah Winfrey Show	King World	4	Hour talk
Crosswits	ABR	2	Half-hour game
Heart and Soul	Columbia	6	Black soap
Star Cluster	Four Star	2	Comedy/game
True Confessions	King World	2	Based on magazine
Hangin' In	Orbis	5 (Cash in fall)	June 86 sitcom
Makeover	Samuel Goldwyn	2	Makeup/clothes
Today's Movers and Shakers	20th Century Fox	2	Entertainment news
Bingo USA	Lee Productions	TBA*	Game
Fun for the Money	Group W	2	Stunt game
Falcon Crest	Lorimar	5	Off-net prime soap
Frame Game	MGM/UA	TBA*	Gabe Kaplan, bowling

*To be announced

Another plus for barter is that the major Hollywood studios, which traditionally have only syndicated their movies and off-net series for cash, are looking at first-run barter. Disney started with barter movies and promises first-run series by 1987. Twentieth Century-Fox formed a first-run barter syndication unit before Rupert Murdoch bought the company and will bring several barter offerings to the National Association of Television Program Executives (NATPE) this month.

And finally, Rupert Murdoch himself could have a significant impact on barter if he fulfills his plans for a fourth network. Such a network would almost certainly be based on looser station affiliations than those enjoyed by ABC, CBS and NBC, and on barter rather than station compensation, sources reason.

NATPE preview

Further evidence that barter can maintain strong growth over the next few years comes from the sheer volume of first-run, barter-supported programing announced for the NATPE convention.

Although there will be plenty of first-run programs announced at the show, not many offerings were generating much real excitement early on. If there was a certain lack of enthusiasm about the new offerings for next fall, that was partially attributable to the not-very exciting performance of syndicated programing on the air this season. Early ratings from metered markets showed few clear winners.

John von Soosten, vice president and director of programing for Katz Television, a station representative company, says *Newlywed Game*, *ThunderCats*, *She-Ra*, *Small Wonder* and *What's Happening Now* are ''modest hits.'' He says the Inday block from LBS Communications, Tribune and Columbia maybe in trouble, and he predicted the cancellation of *America* from Paramount and Post-Newsweek.

Movies

Barter movie packages will be in abundance this year, with two new packages being made available. Plati-

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Syndies feel price crunch too

Barter syndication's coming of age has been marked in a number of ways in the last year or so, but probably none has been so telling as the experience of some buyers in the soft fourth-quarter scatter market.

Buyers are telling a ''man-bites-dog'' sort of story in which they used the networks' bargain-basement pricing as a club to beat down barter costs. Bob Riemenschneider, director, network negotiations and planning for the Chicago-based media buying service CPM, says that he was able to drive some hard barter deals because he made his fourth-quarter buys in October, ''after the network market had broken. I take the position that if I can buy network at X dollars a point against my target, then I expect to be able to buy barter a good deal cheaper,'' Riemenschneider says. ''When network goes down, it drives the barter rates down, too.''

The weak fourth-quarter scatter for network and barter is thought by many to mean a weak 1986 and, for barter at least, little or no real growth. That, however, may not be what transpires. Gene DeWitt, whose DeWitt Media functions as an in-house media department for a number of advertisers including Polaroid and Pizza Hut, thinks the fourth quarter is a short-term correction. ''People overcommitted upfront this year because they were afraid of a tight scatter market,'' DeWitt says. ''Last year, barter scatter and network prime scatter were tight. Anyone who was buying num 193 from Orbis Communications is unusual because it contains 193 titles and because the deal calls for stations to run one approved movie a week in prime for the next five years. Procter & Gamble will use the movies as a vehicle for ten and a half minutes of its ad spots.

Bob Turner, president of Orbis, says the movies are projected to deliver a 5-7 rating for P&G, or 105 to 147 gross ratings points per week. Although the package contains some good titles, like *Fort Apache, The Bronx*, some observers doubt that it can meet its ratings goals. For one thing, *Fort Apache* and 72 other titles, including some of the most exploitable, have been ruled out as the prime barter vehicle by P&G for content reasons. Secondly, the package is so big and carries so much commitment that affiliates and established independents with decent film libraries are less likely to take it. New sign-on independents who need to build their libraries, but who may not be able to deliver the audience, are the more probable market for the series.

The other new barter movie package is Magic I from Walt Disney Domestic Television. It contains 25 titles for six runs each, with Disney retaining five minutes per hour in the first two runs.

upfront this spring, who thought they would have scatter dollars for the fourth quarter, I think they just incorporated the scatter dollars in the upfront."

Mark Riely, broadcast analyst for Eberstadt-Fleming, who last summer did a comprehensive report on barter and cable which put the barter business at $600 million for the 1985-86 broadcast year, is sticking by that estimate.

"Some of the big players may come in below expectations because of the softness in the network tv market, but that does not suggest to me that barter is going to go slower overall than we projected," Riely adds. "The broadcast year may come in a little lower than $600 million, but it's hard to say."

For many in the business, barter came of age during last spring's upfront buying . Paul Isacsson, Young & Rubicam's executive vice president, director of network programing and purchasing, says buyers placed their money in barter before they saw the networks' schedules, "which means that barter had achieved a legitimacy. Barter was perceived by advertisers as having a real value," he says.

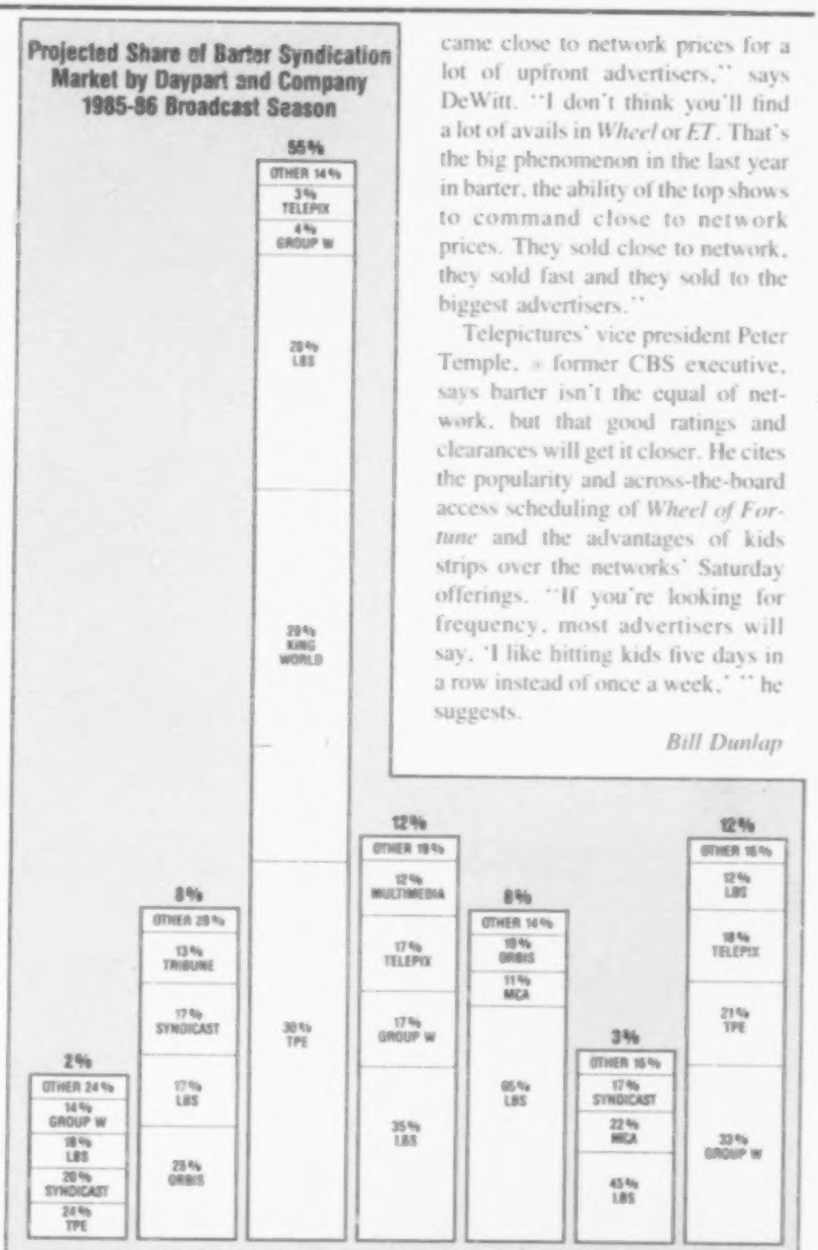
Henry Siegel, chairman of LBS Communications, points out that all the big syndicators had a strong upfront. "Advertisers for the first time were calling us, saying, 'What do you have available?' That was the first time we didn't have to chase calls."

The next step would be for barter to narrow the gap between its cost and that of the networks. Some shows are close. "The highest-rated original programs sold this year came close to network prices for a lot of upfront advertisers," says DeWitt. "I don't think you'll find a lot of avails in *Wheel* or *ET*. That's the big phenomenon in the last year in barter, the ability of the top shows to command close to network prices. They sold close to network, they sold fast and they sold to the biggest advertisers."

Telepictures' vice president Peter Temple, a former CBS executive, says barter isn't the equal of network, but that good ratings and clearances will get it closer. He cites the popularity and across-the-board access scheduling of *Wheel of Fortune* and the advantages of kids strips over the networks' Saturday offerings. "If you're looking for frequency, most advertisers will say, 'I like hitting kids five days in a row instead of once a week,' " he suggests.

Bill Dunlap

Projected Share of Barter Syndication Market by Daypart and Company 1985-86 Broadcast Season



Source: Eberstadt-Fleming

Life after the networks

Born-again programing, culled from the cancel lists of the commercial tv networks, is offering attractive options in the syndication. The shows have a built in appeal, audience and list of advertisers. What does the future hold for this trend?

Is there life after the networks? Television program producers once doubted there was, but new directions in the visual media are restoring their faith in the potential market for new episodes of cancelled tv fare.

Four shows which got a second chance through syndication to produce new episodes — *Fame*, *It's a Living*, *Too Close for Comfort* and *What's Happening* — demonstrate that such programs have a lot going for them: loyal audiences, an innovative image, pre-sold advertisers and often a finely tuned demographic profile. A fifth, *9 to 5*, will follow their lead in fall 1986 from Twentieth Century-Fox Television.

Advertisers, however, must still beware — these shows suffer all the handicaps that accompany their repeating counterparts, including under-promotion, an unclear distribution pattern and strong counter-programing from the networks. But the track record for such ventures is encouraging enough that many predict the practice will continue and grow.

Consider the trendsetter, *Fame*.

By some standards, *Fame* was doing well when NBC pulled the hour-long program from its fall 1983 lineup. The contemporary drama about performing arts students at a New York City high school, complete with adolescent angst and dreams of success, had built something of a cult following during its one-and-a-half year run. Its appeal to teenagers and young women attracted advertising from the likes of Warner Lambert and Procter & Gamble.

Yet beneath its upbeat promise, *Fame*'s vital signs were feeble. Nielsen ratings never improved from an average 14.9 during the first season, and by spring 1983, they remained stalled at 14.4. Not enough adults were tuning in — a hard-knock fact that convinced network executives to close the curtain.

If this scenario had been acted out just a few years earlier, it would have been just another re-run of The Big Kill — a basically good show goes under because it can't attract the big numbers. But this was 1983. The budding syndication market had begun to suffer from a drought of network-quality programing, and national advertisers were casting a cool eye at continued network audience erosion. Seizing the moment, MGM/UA lined up financial help from Lexington Broadcast (LBS) and station support from the Metromedia group. "We felt this particular show had the right ingredients and was worth the challenge," recalls Joseph Tirinato, president of MGM/UA Television Distribution. One month after its network cancellation, *Fame* was born again into first-run syndication.

Two years later, the show still dances on. Now in its third year of first-run syndication, *Fame* had a November clearance rate of 93%, according to an exuberant Tirinato, and in 90% of those markets, he adds, the program is being telecast on the strongest available independent station.

National Average Ratings/Share For First and Last Week of Network Run

Program Title	First Week	Last Week
Fame (NBC) (January '82 – August '83)	16.4/24	10.1/17
It's A Living (ABC) (October '80 – June '82)*	15.6/25	10.3/22
Too Close For Comfort (ABC) (November '80 – May '83)*	19.1/28	13.4/22
What's Happening (ABC) (November '76 – April '79)**	17.6/28	8.8/17

*Last *original* episode
**Regular run
Source: A.C. Nielsen

Salesmen at LBS, meanwhile, make a lucrative selling point of *Fame*'s predominant appeal to teenagers and to women in their thirties, and a handful of the show's original network advertisers — including Procter & Gamble, Warner Lambert, Nabisco, Gillette and Mars — continue to buy spots. All told, the list of current advertisers is "quite extensive," according to LBS executive vice president of advertising sales, Mike Weiden.

But the significance of *Fame*'s rebirth goes beyond optimistic ratings and bullish advertisers. Since *Fame* discovered off-network success, three other shows — all ABC half-hour sitcoms — have been similarly revived. D.L. Taffner put *Too Close For Comfort* into first-run syndication in April 1984, and this fall's October ratings averaged just under eight for the major markets in New York, Los Angeles, Chicago and Philadelphia — a respectable figure for syndicated fare. Now Taffner will shelve the *Too Close* concept and debut a completely new vehicle for its star, Ted Knight.

On the heels of *Too Close for Comfort*'s performance, Witt Thomas revived *It's a Living*, and in April Procter & Gamble bought out all the 1985-86 season's national barter spots for a reported $10 million. LBS reports its *What's Happening Now*, the first-run syndicated version of *What's Happening*, has cleared about 85 markets to date.

Despite favorable market clearance and good initial advertiser response, *It's a Living* and *What's Happening Now* are both falling slightly below projections — very possibly the result of competition by telecast football, which pulls a disproportionate number of male viewers during the first-runners' weekend slots.

According to LBS senior vice president Rand Stoll, "90%, if not 100%" of the first-run episodes are scheduled for the weekends when stations feel they have more flexibility. How these shows are run, however, is dependent on the stations' needs and the availability of strippable rerun episodes. New episodes of *Too Close for Comfort*, for example, may cap regular Monday-Friday run of repeats. *Fame*, however, because of its hour format, is less likely to appear in combination with reruns.

Industry observers say it's too early to judge the fates of *It's a Living* and *What's Happening Now*, which both premiered this past September. "I wouldn't expect them to reach peak until February," says Biff Enoch, director of research at station rep firm TeleRep. "That was the case last year with many weekend programs." *It's a Living*'s average Nielsen rating was between five and six in October, and *What's Happening Now* hovered slightly below five.

Yet in a market currently chilled by lessened advertiser demand and by poor ratings from the much-heralded Inday and the cancellation of *America*, born-agains seem to be holding their own. And to the independent stations, producers and syndicators, they represent a creative solution to the continuing programing shortage and escalating cost of the strippable product needed to fill out their schedules.

Since the early eighties, when the effects of cable, VCR's and "zapping" began eroding network audiences, the number of shows to drop from network television before their fourth birthday has dramatically increased. Until recently this meant the producers couldn't amass sufficient episodes to offer the syndicators for stripping, which is the prime goal of syndication. (The number of weekly tv series cancelled by the networks increased from 40 in 1982 to 56 in 1983; last year that figure leveled off to 50, almost half of which were ABC's.)

"There aren't any M*A*S*Hs or *All in the Family*s around anymore," says Paul Isacsson, executive vice president, director of network programing and purchasing at Young & Rubicam, noting that the problem is especially acute with half-hour comedies. Generally speaking, half-hour comedies work well in strips, while hour-long shows, primarily action/dramas, are more difficult to syndicate. "*Fame* is more of an all-family show," Isacsson comments. "It's also a very popular show overseas, and MGM/UA is most anxious to keep it going."

Meanwhile, advertisers see syndication as a good outlet for certain types of products. "There are not a lot of teenage shows on network," says a media person at a major packaged goods advertiser who, due to company policy, requested anonymity. "*Fame* and *Too Close for Comfort* offer a distinct cost efficiency over comparable network buys — *Fame* with women 18 to 49 and *Too Close for Comfort* on a slightly broader basis."

In last February's sweeps, *Fame* delivered an average 5.6 rating, and October's book showed *Fame* on WPIX, New York, socked home an impressive rating of eight in its timeslot of 5 p.m. Sunday. "Advertisers in the record, apparel and soft drink business often look for the 12-to-30 target audience in syndicated shows," adds the media person, noting that syndicated shows are generally 10% to 20% more efficient than network buys.

Nielsen Viewer Profile, October 1985
For Reborn Network Programs in First-Run Syndication

Program Title	Rating	Share	Women 25-54	Men 25-54	Persons 12-34
Fame					
NY	9	19	6	3	7
LA	6	9	5	2	5
Chicago	8	16	5	3	7
Philadelphia	9	18	7	4	6
It's A Living					
NY	3	7	2	2	1
LA	9	16	5	3	3
Chicago	3	5	1	1	1
Philadelphia	6	10	4	3	5
Too Close For Comfort					
NY	10	21	6	4	6
LA	7	14	5	3	5
Chicago	10	19	7	5	8
Philadelphia	5	11	5	5	4
What's Happening Now					
NY	8	20	6	3	8
LA	6	10	4	2	4
Chicago	7	16	4	3	5
Philadelphia	—	—	—	—	—

Source: A.C. Nielsen

"[Born-agains] are obviously a good trend because we're advertising in it," said Lee Pratt, executive vice president of media and programing at Ohlmeyer, an ad agency with more than $35 million in billings. One of Ohlmeyer's clients is Nabisco, which currently supports *Fame*. Pratt says that the agency looks for at least 70% clearance rate, and guaranteed CPM's. Each of the born-agains has cleared at least 80%, according to an LBS salesman.

Some see the reborn programs' promise as short-lived. J. Walter Thompson's media director Richard Kostyra predicts the soft advertiser market, which is afflicting syndicated properties as well, will actually discourage more first-run syndicated properties. "What brought on [born-agains] was high demand by advertisers," he points out. But, he adds, networks are just beginning to view syndicated programing as a real threat. "A few years ago, networks didn't seem to object too much to syndication. In 1986 they'll take every lost dollar seriously and try to offer competition."

Producers are understandably optimistic about the trend. On one hand, networks are buying fewer and fewer shows, with only 22 being produced this year for network consumption. But enter born-agains. "It is now theoretically possible for a show to be financially successful even if it isn't number-one in its time period," says Alan Gottesman, media analyst with L.F. Rothschild, Unterberg, Towbin.

To add to *What's Happening Now*, Columbia Pictures is considering two more cancelled network sitcoms for first-run syndication, according to domestic distribution president Joseph Indelli. "These types of shows are going to be here for a while to come . . . In the early Seventies no one revived shows. It was unthinkable."

But stations airing born-agains must vigorously promote the first-run aspect of the show — and distinguish them from reruns of the same shows, industry execs agree. "You can have the best concept in the world," says BBDO's Robert Riesenberg, associate director of network programing, "with the best casting, direction and production. But if the promotion isn't there, neither will be the ratings."

Much of the responsibility also falls to the syndicator, Riesenberg indicates. They must have a strong line up of stations, unlike the networks, which have a built-in distribution system. Concurs one corporate executive, "The syndicators must come through with realistic projections."

The consequences of faulty predictions are already being felt — with this fall's debut of new made-for-syndication programing. Extensively-promoted offerings, like Inday, have posted ratings well below predictions, and *America* is now off the air.

Why is this decline significant for born-agains? Because indies are looking for blocks of shows to set themselves apart from the affiliates. As Columbia Pictures' Indelli says, "When you combine *What's Happening Now* with *It's a Living* and *Small Wonder*, you have a formidable entertainment package." Network-type clearance rates, first-run programing, blocks of entertainment — these are the indies' allies in quest to achieve a network-quality image.

Says a hopeful Dennis Gillespie, senior vice president, marketing, Viacom Enterprises, and president of the Advertiser Syndicated Television Association, "There's always a marketplace for quality product." Likewise with born-agains, he adds. "In order for this to become a full-bloom galloping trend, these shows must have been dropped from network for some reason *other* than poor quality."

David Kalish

POINT/COUNTERPOINT

CBS thinks tough

Barter syndication, along with the growth of the independent television station market, clearly has been the most important competition the networks have faced to date, confirms Tony Malara, president, CBS Television Network.

But Malara believes while barter has created new marketing opportunities for advertisers, it has also created "tremendous pressure on the networks in pricing." And most advertising placed in syndication is placed because of price, not necessarily because of sound marketing strategies, he maintains. Malara shares his thoughts with *Decisions* on the value of barter syndication from the network point of view.

Tony Malara

On barter's effectiveness as a medium: Set aside shows like *Donahue*, *Wheel of Fortune*, *Entertainment Tonight*. CBS does not want anyone to think that we don't know that those shows are very smart buys. But look at the results of what is going on in the rest of syndication today and tell me those are smart buys — when Inday does what it does, and *America*. There is not any client who is going to tell me that's what he planned on. A lot of advertisers say they can't miss, because it's guaranteed. But where is the audience they are reaching?

Who the hell cares if you get your money back? What did that do to your marketing plans? What are you going to do with those makegoods? At what price CPM efficiency?

Again, the General Foods and the Procter & Gambles — the people who buy brand specific — they can put Sanka and their bran cereals into *Lawrence Welk*, or the Bristol-Myers and Gillettes place positions in the *Solid Golds* and *Dance Fevers*. Those are all cleverly executed marketing positions.

But advertising which is placed for impressions and reach, that only pays attention to price, has got to be suffering from the current performance of much syndicated product.

On how the networks will fight back: Part of the problem is we have to be stronger as a network in being more imaginative and creative in making our presentations to those clients and agencies because there is such a story here.

We have to be more creative than we are in offering multi-daypart buys, multi-year deals, solo 15's.

And we are making more of an effort than we did in the past to sit down and talk with clients to find out how we can best serve each other. Flexibility is a key issue on both sides. If I was a client who wanted to be in network tv but was forced out because I couldn't afford it, and therefore had to go to barter syndication, you bet your life I'd look at 15's.

The stand-alone 15's are a way that we can attack what we consider to be our number-one source of opportunity for client money, and that's barter syndication. There's no question, as they have marketed well against us, our opportunity is now there. And we're after them, that's no surprise.

On barter's future: Eventually, advertisers will have to come back and make the smart media buy in order to justify and complete their smart marketing plans. And I have to believe that network tv is still going to be the most effective way. Most of the growth in barter is over. As an advertising vehicle, barter will now be examined with the same kind of microscope that network tv gets.

I don't think the network advertising message has had its proper airing. We have a lot more work to do in getting our message across. We are moving much more at CBS toward a marketing position.

Our readers tell us . . .

Marketing & Media Decisions *sampled some of its readers who are buyers of advertiser-supported syndication on their views on various practices in the medium. The survey, conducted by Research USA, Inc., Chicago, was completed December 5, 1985, with more than 100 replies.*

1. How do you plan to change your spending in syndication this season?

Increase spending	47.6%
Decrease spending	7.6%
No change	44.8%

Amount of increase:

Less than 5%	6.1%
5%-9%	18.2%
10%-14%	42.4%
15%-19%	12.1%
20% or more	21.2%

2. How much do you expect costs to increase for syndicated products this season?

Under 10%	64.8%
About 10%	27.6%
Over 10%	7.6%

3. From which budgets are your syndication dollars obtained?

King keeps cool

King World Productions has enjoyed unparalleled success with its *Wheel of Fortune*, the number-one show in barter syndication, and *Jeopardy*, its promising second entry in access.

And King World intends to try its hand at all dayparts, promises Roger King, King World's chairman of the board, who expects sure successes with his newest fare. *Oprah Winfrey* is a cash/barter, hour-long talk show, already cleared in 85 markets, which King likes to describe as "The *Donahue* Eater." And *Nightlife, Starring David Brenner*, for late access, is being well received early on as well.

King, in providing his outlook on barter, maintains that it's not just price that attracts national advertisers to barter, but also the audiences some barter programing delivers.

On barter's effectiveness: Advertisers buy us based on CPM because it's strictly a good buy. My pitch to advertisers is simply that I am a good buy. And I also reach a great demo.

Wheel and *Jeopardy* are so strong, they are now equal to their own network. But I do not envision the day when programs like *Wheel* will ever be comparably priced with network fare — although they are getting close. But it's fair play to the advertiser to have another place to spend his money in this free enterprise system. It's another way for the advertiser to say, "Okay, network, I'm tired of you sticking it to me every year."

Roger King

As far as makegoods go, we *have* no makegoods with *Wheel*. Regarding *America* and Inday, I put those in a separate category myself, so we (and the networks) think a little similarly.

Wheel of Fortune is the most successful program in the history of television, so in that vein, it would demand the most respect in barter syndication. The rest of the shows on the air are so far behind, it's ridiculous. The rest of barter is not even a fly on a horse's ass.

On networks fighting back: Like any business, they will find ways to combat us and we in turn will have ways to combat them back. It's called free enterprise. The networks take on everybody. They took on all the cable advertisers. The networks have been affected. They had it all to themselves at one point and now there are other avenues. They will just have to realize that the pie is getting cut up. But the majority of the money out there — 85% of the business — still goes to them.

On barter's future: Judging from the party we (Camelot Entertainment, King World's national sales arm) will be throwing at NATPE for 400 advertisers, I'd say it's good. And while we haven't even opened the national ad scene on *Oprah* yet, we have had 15 inquiries on it before NATPE from advertisers.

The reason that barter got started in the first place was that first-run programing never commanded high licensing fees from stations, so producers were forced to put a spot in. Originally, we did not even want to do barter, but we wanted to stay in syndication and it became a necessity. Our business is a young baby still evolving, and barter, a part of that evolution, is here to stay.

On the keys to King World's success: One of the reasons that King World is so successful is that none of our shows compete with each other, and that we now offer a multitude of time periods.

There's *Oprah* in the morning, *True Confessions* for early fringe, *Wheel* and *Jeopardy* for access and *Nightlife, Starring David Brenner* for late fringe. You can see, I'm staying away from myself.

Somebody will have to figure out how to beat me, and it won't be me.

Network budget	71.4%
Spot tv budget	20.0%
Separate barter syndication funds	14.3%
Other	3.8%
	109.5%*

*Over 100% because of multiple answers

4. How do you rate the performance of syndicators in supplying verification of a buy (i.e. station affidavits and station clearances)?

Excellent	7.6%
Good	49.5%
Fair	32.4%
Poor	8.6%
No answer	1.9%

5. How often do irregular station lineups (shows airing at different times in different markets) pose problems in buying specific demographics in syndication?

Frequently	10.5%
Sometimes	70.4%
Seldom	18.1%
Never	1.0%

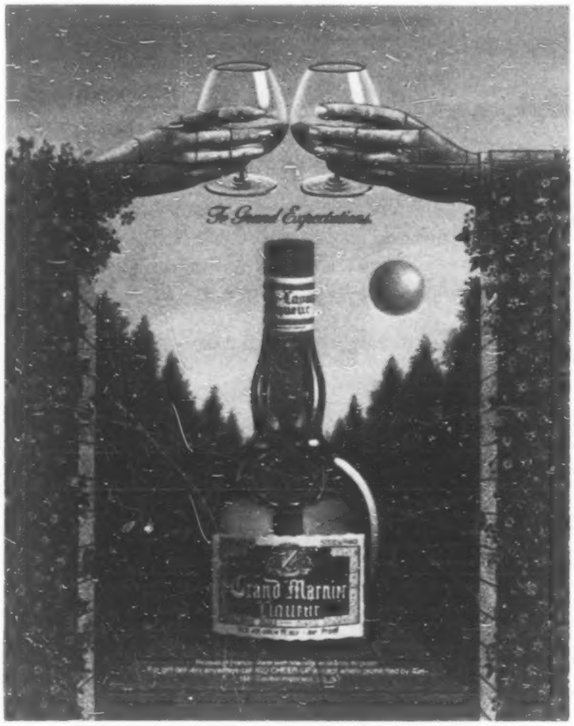
6. In terms of production values, how do you rate the overall quality of ad-supported syndication, compared with network tv fare?

Syndication is better	2.9%
Network tv is better	45.7%
They are comparable	50.4%
No answer	1.0%

Brand Report 129: Brandies, Cordials and Liqueurs

Specialty spirits toss back profits

With the rest of the liquor industry in the doldrums, spirits marketers are raising their glasses and snifters to the heady growth of the cordial and brandy category.



Sales of the orange-flavored liqueur are up: But is it the art?

Tis the season to pop corks on bottles of champagne, and distillers are doing just that. However, it's not the New Year they're toasting as much as the continued good health of the cordial and brandies categories.

These segments are among the very few in the liquor industry that have shown any real effervesence. The distilled spirits industry has been weaving its way through some hard times. Volume declined for the third consecutive year in 1984, and readings for 1985 indicate the same gloomy trend. A combination of a consumer preference for lighter, more healthful products and self-images have socked liquor sales, as have excise tax increases and pressure from anti-drinking groups.

Yet if sales of liquor cabinet mainstays such as scotch and gin are drooping, specialty drinks are giving many spirits companies a boost. The specialties category comprises brandies, cordials and liqueurs (the latter are imported cordials), as well as cocktails and mixed drinks sales of which continue to drop. The category as a whole, according to *Impact*, a trade publication, showed an impressive 8.5% increase in case shipments. It ended 1984 with a 16.6% share of the liquor business.

But the bulk of all that growth came from the cordials segment, universally regarded as the hottest category in the spirits industry. "Consumers have spoken and this is what they want," declares one cordial marketer. While brandy showed a respectable gain of 164,800 case sales in 1984 over 1983, cordials wowed the industry with the biggest gain of any product type: a 1.04 million case increase, according to *Jobson's Liquor Handbook*. Cordials are now the third biggest money-earners, falling in line behind vodkas and Canadian whiskey. The category rang up $2 billion in 1984, according to *Impact*. It grew from a 7% share of the market in 1975 to a 9.9% one in 1984.

While it would be hard for anything to match the sales pace of cordials, brandies — including cognacs, which are made from brandy — held steady in a marketplace filled with declines. In 1984 the category grew 0.8% and sales totaled $1.03 billion, according to *Impact*. Brandies represented 4.3% of total industry sales, up from 3.8% in 1983.

While cognac's growth has slowed somewhat, it continues to attract new customers, especially blacks and Hispanics, who industry experts say account for about 40%-50% of all cognac drinkers.

Some of the same trends are having a positive effect on both of these specialty groups.

"Flavor" is the first word of explanation out of every marketer's mouth when asked about these specialties.

"The sales of many spirits brands are based on image — blindfolded people couldn't tell the difference in brand," claims Patricia M. Wiley, director of new product development for DeKuyper cordials. "In this category, taste is *everything*."

"It's part of a macro-trend among the U.S. population to experiment with new and different tastes," comments Victor Bevilaqua, marketing director for Arrow cordials. Brandies and cognacs offer a range of tastes just within their category. But cordials run the gamut, catering to every possible taste with flavor ranges wide enough that palates craving chocolate, blackberry or even root beer are covered.

Flavor also dictates the way marketers are pitching their brands. In an attempt to convey some sense of the way a product tastes, many marketers, especially those of cordials, tend to favor sensory-raising four-color ads. Therefore, magazine usage is given the nod over newspapers. In certain cities where they may want added exposure, outdoor is used.

It is the word "moderation," however, that looms over the industry like a black cloud. The public's interest in diet and exercise, as well as growing concern over the drunk-driving problem, translates into reduced consumption. But that move towards moderation has boosted consumption of the two specialties categories.

Though brandies and cognacs are in the 80-proof range, they enjoy a different image from the rest of the spirit world. "Cognac by its very nature is perceived as a drink of moderation," says Clint Rodenberg, vice president-group product director for Hennessy cognac. "It is to be savored, not gulped."

Cordials, on the other hand, may enjoy a greater rate of per-occasion consumption, but they average about 45-proof and are usually served over ice or as part of a mixed drink.

Cordials and liqueurs

"The salvation of the [spirits] industry will be the development of more and more and more flavor products," preaches Perry Luntz, editor and publisher of the *Beverage Alcohol Market Report*.

It is a sermon liquor marketers have taken to heart where cordials are concerned. Category growth is happening so fast that no one — not marketers, trade groups, or industry observers — has a count of just how many branded flavors are on the market. All concur that it is well over 100. In 1984 alone, according to the *Liquor Handbook*, 26 new flavors came to market, representing 52% of all the new spirits products introduced that year. One marketer estimates that 1985 will show a total of more than 30 new schnapps introductions.

Schnapps is a category that until its surprising takeoff a couple of years ago was seen as the obscure drink of a tradition-bound few. While market norm dictates that a new-drink craze take off from either the West or East coast, this shooting star was launched in the North Central states like Minnesota and Wisconsin, where peppermint schnapps — still the biggest seller nationwide — has long had a stronghold.

Flavored schnapps is descended from the higher-proof, more rough-hewn European drink often referred to as "the poor-man's vodka." This new wave of flavors began appearing in 1982. The category sold about two million cases in 1983 and is expected to top five million when 1985 totals are in. Now, according to *Impact*, schnapps accounts for 26% of the cordial market.

Leading the way in sales for domestically produced cordials is the National Distiller and Chemical Corp.'s **DeKuyper** line with a 14.1% share of

**Media Expenditures 1984 (000)
Top Selling Brandies and Cordials**

Company	Total	Mags	Outdoor	Newspaper
DeKuyper (Nat. Dist. and Chemical)	$1,453.4	$1,243.7	–	$209.7
Hiram Walker	2,605.5	2,512.3	0.2	93.0
Arrow (Heublein)	1,107.4	416.1	185.5	505.8
Southern Comfort (Brown-Forman)	3,238.7	3,173.0	42.6	23.1
Leroux (Seagram)	125.3	68.2	–	57.1
Kahlua (Maidstone)	6,034.1	4,430.3	1,433.5	170.3
Baileys Original Irish Cream (Paddington)	5,807.5	4,734.2	200.4	872.9
Amaretto di Saronno (Glenmore)	3,750.9	2,490.4	598.7	661.8
Grand Marnier (Carillon)	4,155.2	3,219.1	10.0	926.1
Drambuie (W.A. Taylor)	1,983.8	1,769.7	–	214.1
E. & J. Brandy (E. & J. Gallo)	960.6	746.6	214.0	–
Christian Brothers (Fromm & Sichel)	344.8	–	118.8	226.0
Hennessey (Scheiffelin)	5,754.3	3,484.9	2,254.0	15.4
Courvoisier (W. A. Taylor)	3,733.0	2,540.1	1,099.8	93.1
Martell (Brown-Forman)	2,530.7	1,605.5	762.1	163.1
Remy Martin (Premiere Wine Merchants)	3,044.7	2,264.8	246.7	533.2

Sources: Leading National Advertisers; newspaper figures compiled by Media Records; no broadcast expenditures.

the market, according to *Impact*. DeKuyper's incredibly successful Peachtree flavor is often credited with having touched off schnapps fever amongst spirits marketers hungry for such a success of their own.

The brand went into distribution in October of 1984 and by the end of its first year had hit the one million case mark. "This brand is making a fortune for this company," gushes Patricia Wiley. That sort of growth makes the much-raved over sales of Baileys Original Irish Cream — introduced in 1980 and reaching one million cases by 1984 — seem like a snail's pace. It's a sales record some industry observers are saying is without precedent in the liquor business.

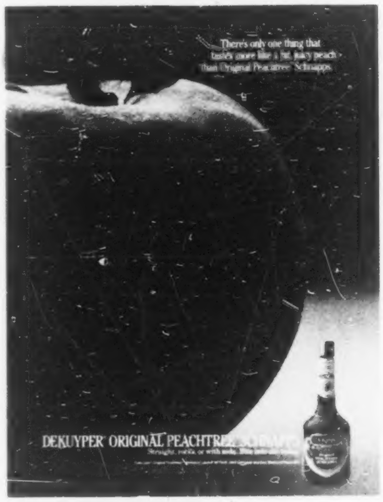
Schnapps is a bit lighter and less sweet than the traditional cordials, like the declining fruit-flavored brandy category, making it suitable for a cocktail. That, coupled with its 45-proof average alcohol content, means "we now have a product that is between a whiskey and a wine cooler." Though DeKuyper's line is made up of 39 products, its top three sellers are peach, peppermint and apple-flavored schnapps.

Peachtree's growth is awe-inspiring for another reason. It grew with next to no advertising support. "This brand was built by word-of-mouth," says Wiley. Its strongest sales region is in the Midwest where, according to Wiley, it reminds people of their European roots. The fruit taste appeals to that market, too, as does its $5-$6 a bottle average price tag.

The brand is not doing well in major metropolitan areas, she says, theorizing that its low cost is actually a drawback. "I think if I raised the price to $15 I'd get more sales," she chuckles. "But it's obvious we're not doing the right thing to attract the city consumer."

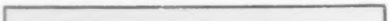
Advertising may not have been needed to sell the first million cases but, says Wiley, DeKuyper will need it to move the second. Leading National Advertisers reports a 1984 budget of $1.2 million for the company's cordials. Wiley says that figure was between $1 million and $5 million in 1985 and will swell about 50% for 1986.

DeKuyper brands are targeted heavily to men, 25- to 45-years-old, blue-collar and college-educated alike. The company did, however, just launch a root beer schnapps that it expects to find a niche in the college market. Magazine buys for the brands include *Field & Stream, Inside Sports, Rolling Stone, People, Playboy, Omni* and *Army Times* (Wiley says schnapps is popular with army personnel who have served in Germany). Books targeted to women, a group that research shows are increasingly interested in flavored schnapps, include *Mademoiselle, Ms.* and *Cosmopolitan*.


There's only one thing that
tastes more like a fat, juicy peach
than Original Peachtree Schnapps.
DEKUYPER ORIGINAL PEACHTREE
Straight, rocks, or with soda.

DeKuyper is starting to expand schnapps awareness.

Hiram Walker cordials claim a 13.5% share of the cordials market, *Impact* reports. The 40-product line is slated to grow by six new schnapps flavors in 1986. Walker's cordial sales grew 2.1% between 1983 and 1984, small compared to DeKuyper's 37.8% growth.



Like many schnapps marketers, Hiram Walker advertises its brand year round, giving it the most support around Christmas. Its 1985 budget will total just over $3 million, according to William Bueschling, group vice president of the cordial division. Featuring the "Taste the difference" slogan, its ads feature a bottle shot and a recipe to promote the mixability idea. The company largely avoids newspaper advertising, says Bueschling, because "how can you expect somebody [to see an ad] and say 'How delicious looking' in black-and-white?"

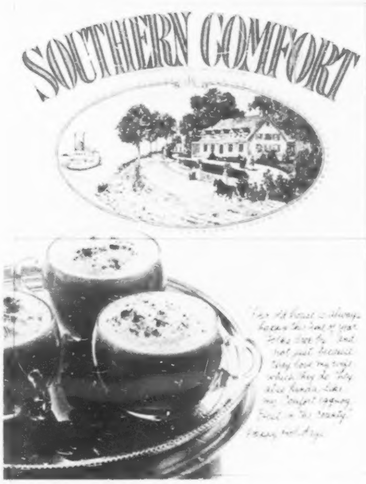
Walker's print buys include food books like *Gourmet* and *Food & Wine*, women's books like *Cosmopolitan* and *Ladies' Home Journal*, as well as *Playboy* and news magazines. The company also has a promotional program backed, Buesching says, with a budget that exceeds that of advertising's.

Arrow, Heublein's line of cordials, registered a 12% market share in 1984, according to *Impact*. The line, which includes the Harvey's Bristol Cream sherry brand, grew to case depletions of 1.3 million in 1984, up 4.3% from the previous year. "Growth has not peaked at all," exclaims Victor Bevilaqua, Arrow's marketing director. "Things are almost too good."

According to Bevilaqua, 98% of Arrow's advertising is against its new product introductions. Last year it came out with 12 new schnapps flavors, including the tastes of black raspberry and butterscotch. About 65% of its schnapps drinkers are blue-collar men living in the Midwest, from legal drinking age to 30 years old.

Up until about three years ago, peppermint was the only flavor that sold much. "The traditional use was peppermint schnapps and a beer," he says. "Now men have discovered the sweet tastes and they're dropping the beer." In addition, there are even nibbles from the young professional set. More and more, he says, "it's moving away from blue collars to new collars."

While LNA shows a total of only



People may not know what it is, but they keep buying it.

$601,600 in ad expenditures for 1984, Bevilaqua says that total will show a substantial increase for 1985 with all the new product introductions. He says Arrow will advertise heavily in the future. It already puts a lot of emphasis on promotions, as do many cordial marketers. The whole flavor-driven cordial category relies heavily on point-of-sale pitches to promote trial and especially important, where legal, are on-premise tastings.

Arrow maintains a base level of national print support, but targets best-selling regions for extra advertising. It appears in regional editions of *Sports Illustrated, Time* and *People*, for instance. It is also a strong presence on the sports pages of regional newspapers.

You may wonder what **Southern Comfort** is doing among industry leaders whose sales are largely tied to the schnapps boom. But Southern Comfort, a chameleon of a brand, is by law indeed a cordial due to its sugar content. "We don't categorize Southern Comfort," explains David Higgins, vice-president/senior brand manager. "Some think it's a whiskey, some think it's a liqueur, some don't know. But," he continues, "those are the people who drink it and they don't care."

The company, which *Impact* reports had a 7% market share in 1984, says it will show a gain of about 3% in sales between 1984-85. The brand does 30% of its annual sales in November and December. In addition to promotional programs such as rebates, 1985 saw the Brown-Forman brand buy four-page gatefolds in *People, Reader's Digest, TV Guide* and *Good Housekeeping* during that period.

Over the rest of the year, Comfort ads appeared in books such as *Newsweek, Penthouse* and *Sports Afield*. Higgins says 90% of the brand's 1985 ad budget of under $3 million went to magazines. The rest was spread between newspapers and outdoor. The company puts as much money into promotions, sponsoring things like a dixieland jazz band competition.

Southern Comfort's market skews 60%-40% male-female, with a 10% black and 6% Hispanic customer base. All age ranges toss back the brand: A third are legal age to 25, a third are 25-39 years, and the rest are 40 on up.

Leroux, the line of cordials from Seagram Distillers, has been accused of being a little slow off the schnapps mark with new flavor introductions. But in 1985 the line grew by three new tastes — root beer, peach and strawberry. The line now totals 52 products, 11 of which are flavored schnapps. LNA reports that less than $1 million went to advertising the line in 1984 and, according to Tony Bongiovanni, senior product manager for Leroux, no dollars went to consumer advertising in 1985. The year was marked by a major corporate reshuffling at Seagrams resulting, in part, in a top-to-bottom review of advertising for many brands, the cordial line included. The company did do a small amount of advertising for its three new products to the trade in 1985. Bongiovanni says that the company does plan consumer advertising in 1986.

The leaders in the imported cordial, or liqueur, category are a far more diverse lot. **Kahlua**, marketed by the Maidstone Wine & Spirits division of Hiram Walker, is the category's far-and-away leader. It holds a 9% share of its market, according to *Impact*, and registered nearly 1.7 million case depletions in 1984.

"We view Kahlua as a category in itself because of its sales [figures] and its wide-ranging acceptance," crows Dean Laws, president of the Eisaman, Johns & Laws agency, handlers of the Kahlua account. He attributes the brand's continued success to its versatility ("Research shows it's almost like vodka in terms of mixability") and its coffee flavor, a taste, he says, "we're virtually weaned on."

HOLIDAY ON ICE.

Though sales have revived, Baileys revamped its creative.

The agency, which has had the account since 1971, has always pitched Kahlua in terms of mixability. The drink is now not only benefiting from America's flavor craze, he says, but also from the moderation trend because it is always part of a mixed drink. "Many, many people don't even perceive Kahlua to be a distilled spirit," he explains. "We get letters saying 'I don't drink. I love Kahlua.' "

LNA shows a 1984 expenditure level of nearly $6 million for the brand. Media Records reports newspaper ad spending of $85,787 that year. Laws says the brand keeps newspaper dollars low because "they are a little too broad in terms of demographics."

Baileys Original Irish Cream, imported by Paddington, holds the No. 2 spot among imported cordials, boasting a 6% share of the overall cordial category, according to *Impact*. The brand was something of an overnight sensation when it made its American debut in the fall of 1979. As with other fast-rising stars, it experienced a period of disappointing sales as a wave of me-too creams rushed onto the market. But Baileys is more than holding its own, the 1983-84 period showing case depletions up by 7%, according to *Impact*.

According to Paul Tynan, brand manager for Baileys, the size of the cream liqueur market at retail is approximately $272 million. Baileys, with an average retail price of $16, claims a nearly $192 million swig from that bottle.

Baileys marketers, deciding to concentrate advertising attention on the franchise they have, have dropped the Backer & Spielvogel holiday-related campaign that ran last year. The previous campaign — featuring clever copy, a tiny bottle-and-glass shot and scads of white space — was an eye catcher but didn't do much to make Baileys look appetizing. The agency has since come up with another campaign that was launched in the fall and will run all year. It features ultra-close-ups of a stream of Baileys pouring into a glass, "emphasizing the warm-and-sharing properties of the brand," Tynan explains.

He reports that 90% of Baileys $5 million-$10 million 1985 budget was slated for magazines, 10% for outdoor (the brand is very popular in metropolitan areas). It is found in a wide array of books: *Newsweek, Gourmet, Army Times, Inc., Psychology Today* and the *New Yorker* are a few. Still trying to enlarge its market, it relies heavily on tastings — which is does extensively on airlines and cruise liners.

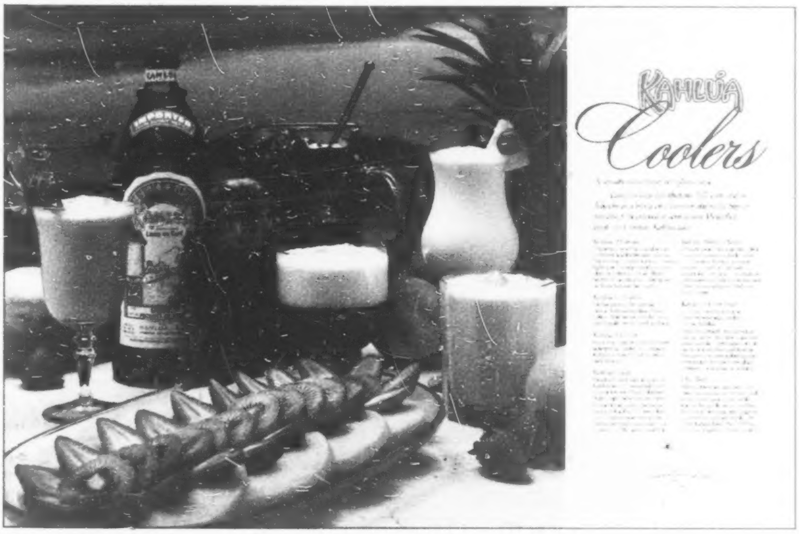
In addition, it also concentrates on point-of-sale promotions. Tynan says they avoid rebates "because they erode image," and instead distribute catalogues that offer discount consumer goods and services. Its customer base skews 55% female-45% male, falls in the 25- to 55-year-old range, is predominantly white and earns at least $35,000.

SARONNO
AMARETTO di SARONNO ORIGINALE
Make a Splash! Amaretto di Saronno
and Orange Juice

Amaretto hopes the mixability theme will make it more than a gift.

Glenmore Distillers, the importer of **Amaretto di Saronno**, is hoping that its duo-campaign approach can boost the brand out of a slight sales depression. Down less than 1% in case depletions by the end of 1984, di Saronno is given a 4% market share of the imported cordial category by *Impact*. Its 1984 case depletions totaled 680,000, according to *Impact*, in comparison to Baileys' one million.

According to senior brand manager Chase Donaldson — who sees some of di Saronno's business going to the schnapps boom — two strategies are behind its current advertising. One, a new campaign launched last year, promotes mixability and is scheduled to run January through October. It is expected to appeal more to women.



Mixability: The formula for success for Maidstone's Kahlua.

Gift-giving is the impetus behind the second phase of its yearly plan and features a campaign that skews to men. Company research conducted last holiday season showed that men were tipping the scales by about 65%, buying Amaretto for women as a gift. This campaign runs from late fall through the holidays when, according to Donaldson, the brand rings up 25% of its annual sales. The creative features Amaretto's rose-covered gift box which, along with Baileys' gift box, is a display favorite with retailers. The mixability campaign, which will soon start suggesting Amaretto and cream, is seen as a way to get the brand out of the gift-giving rut.

Advertising expenditures increased in 1985 over the 1984 level LNA reports as $3.2 million. The brand's media buys vary according to which campaign cycle it's on. The mixability ads run in books that include the *New Yorker, People, Travel & Leisure, Vogue* and *Glamour*. Around the holidays, the skew shifts male-ward and buys like *Esquire, Gentlemen's Quarterly* and *USA Today* are picked up. Overall, most of the advertising emphasis is concentrated on 10 large local markets that account for about 65% of sales. The brand also buys outdoor space in those regions.

No. 4 ranked **Grand Marnier**, distributed by Carillon Importers, moved 370,000 cases in 1984, an increase of 2.8% over 1983's depletions, *Impact* reports. Its 1985 ad budget held steady with its 1984 level of $3.5 million, according to Ernie Capria, market services manager. That level will go up to about $4 million for 1986.

The orange-flavored brand will remain with its four-year-old campaign featuring a series of surrealistic paintings. Done in a style à la Rene Magritte, the ads carry slogans like "Paradise Found" and "Moment of Grandeur" and communicate, says Capria, "that you are one of the people who knows quality."

The ads run for most of the year, tapering off in summer, in books such as *Fortune, Scientific American, Architectural Digest, Ms.* and *Esquire*. The brand reports its heaviest selling on the coasts, so some regional books and Sunday magazines receive ad dollars; Media Records shows $696,335 spent on newspapers in 1984. The general split of media monies, however, is 75% national, 25% local.

The target audience, Capria says, is generally the 25- to 54-year-old range, with 35- to 44-year-olds consuming the most. Income levels aimed for are $40,000-$50,000 annually and the overall split is 55% female and 45% male.

"A lot of men cook and buy it for gifts," he explains. Grand Marnier is often used as a cooking ingredient.

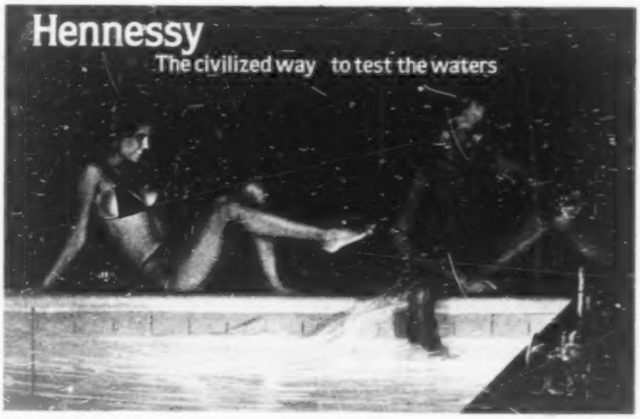
W.A. Taylor's **Drambuie** ranks fifth, showing a 1.7% increase on case sales of 305,000 in 1984. Leading National Advertisers shows 1984 ad support in measured media totaling $1.8 million, while Media Records reports $129,512 went towards newspaper advertising.

Brandies

Sales of the domestic brandy category are carried on the shoulders of two California vintages. This is true for advertising expenditures as well. Beyond the two leaders, domestic brandy marketers spend little or nothing on ads to support their brands.

E.& J. Gallo Winery's **E.& J. Brandy** maintains its hold on the No. 1 slot in the market, giving it a 17% market share, according to *Impact*. Its target audience, along with most domestic vintages, has a blue-collar profile and is centered in the cold-climate North Central states. While the brand did little advertising in 1984 — LNA reports its ad dollars totaled just under $1 million — its case depletions rose that year 12.7% to 1.5 million. Its 1984 ad budget was dropped from a 1983 level of slightly over $3 million.

A company spokesman attributed its strength to a lighter taste as well as a lower average cost (less than $10) per bottle than its imported cousins. In addition, Gallo may be benefiting from American's on-and-off tendency to use brandy as a mixer.


Hennessy
The civilized way to test the waters

Schieffelin promotes attainable fantasy.

When the things you have
are more important
than the things you don't.
Cheers.

"Christian Brothers is a rather laidback outfit," says one observer.

Perry Luntz, however, has another assessment: "The Gallos are very tough street people. You can't sit back on your marketing plans in this business — you have to get out and mix with people and implement them. Gallo has always put a premium on things like store contacts, display planning and chain buying, and they've innovated a lot of the current merchandising programs that others are just talking about."

No. 2-ranked **Christian Brothers** from Fromm & Sichel holds just under a 17% share. Its 1984 case depletions weighed in at 1.5 million, a healthy increase of 9.5% over its 1983 sales. Signs are that the once-dominant brand may still be a contender for that slot.

"Christian Brothers is a rather laidback outfit," comments one industry observer. "The market was there and they never did anything with it. They've had a lot of management problems but now they have new management. Apparently they are getting more aggressive with the brand."

Christian Brothers 1983 advertising total was $2.8 million as reported by LNA. The 1984 level plunged to $118,800, says LNA, all going to outdoor ads. Media Records shows newspaper dollars totaling $226,074 for the year. A change may indeed be in the wind, however, as Christian Brothers recently ran a four-color brandy ad in *Esquire*.

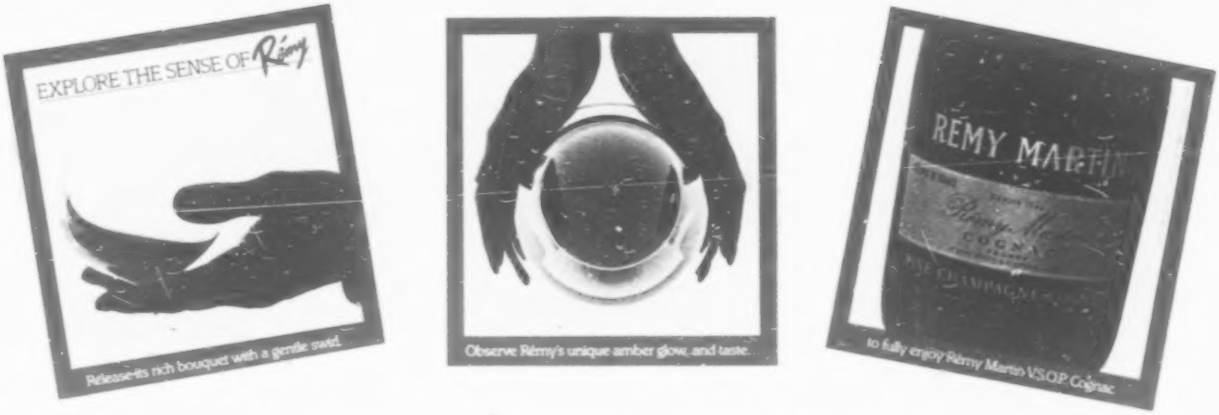
The leaders in the imported brandy category, according to *Impact*, are all cognacs.

More than one out of every four bottles of cognac sold in the world are bought in the U.S. America became France's biggest export market for cognac in 1981, when it took the title from Britain. In 1984, a record 29.5 million bottles landed on U.S. shores, boosting sales in this country by 28% to about $130 million retail, according to the Cognac Producers' Federation.

Most agree that the influx of black and Hispanic consumers into the cognac market has injected new life into its sales. Most industry observers say that blacks and Hispanics comprise about 40%-50% of cognac drinkers.

Hennessy cognac, imported by Schieffelin & Co., is holding onto the top spot, a position it's held since 1980. *Impact* reports the brand's 1984 market share at 7%. The company says its depletions for 1985 will show an 8% increase and come in at about 780,000 cases.

Hennessy's spicy ad campaign, featuring couples in romanticly suggestive situations, is the extreme example of the willingness of some cognac marketers to pitch the drink to a more mainstream audience. "We've tried to take some of the stuffiness out of drinking cognac, move it out of the drawing room," explains Clint Rodenberg, vice president-group director. "We have people that represent attainable fantasy." The ads have attracted a lot of attention as most agree they set new steam standards even for the spirits industry. "We hope


EXPLORE THE SENSE OF Rémy
Releases its rich bouquet with a gentle swirl.
Observe Rémy's unique amber glow, and taste...
RÉMY MARTIN
COGNAC
FINE CHAMPAGNE
to fully enjoy Rémy Martin V.S.O.P. Cognac

Remy Martin's new campaign: short on words and . . . long on mystique.

everybody feels they're done in good taste," Rodenberg comments. "We're not trying to turn people off, we're trying to break through liquor advertising clutter."

The campaign, which receives five new creative executions per year, will be supported in 1986 with about $13 million, including promotions and merchandising campaigns. This, says Rodenberg, is with the goal of reaching one million cases by 1989.

The brand sees its target audience as 55%-45% male-female, 25- to 34-years-old with an income of $25,000 plus. The campaign runs nationally in books like *Time, Sports Illustrated, People, Cosmopolitan*. In the holiday season, advertising is expanded to include *Rolling Stone, New Woman, Texas Monthly, The New York Times Magazine* and *Vanity Fair*, among other books. Outdoor ads are placed in New York and Los Angeles during that period as well.

The other side of the imagery coin is represented by No.2-ranked **Courvoisier.** Its traditional bottle-and-snifter ads, complete with a portrait of Napoleon in every shot, have changed little over the years. The company recently modernized the campaign, changing the background from a drawing room to a modern city-dweller's apartment.

In 1984, the brand captured nearly 30% share of the U.S. cognac market and saw depletions rise 3.5% to 595,000 cases, according to *Impact*. Ad expenditures for 1985 were in the $6 million range, with about 20% of that spent on outdoor.

"I assume you drink **Martell**" is the tagline bought by about 13% of the cognac market. A Brown-Forman brand, Martell's case depletions totaled 290,000 in 1984, a 16% increase over 1983.

Martell has used the "I assume" campaign, from Burrell Advertising, to pitch to the black market since the early 1980's. In September of 1984, it gave Burrell, known for its work in the ethnic marketplace, all of its business. The company, looking to change its campaign directed at whites, tested a number of approaches and found "I assume" scored highest. The campaign is now directed, with different creatives for each segment, to both markets.

Martell mainly uses outdoor in major metropolitan areas to advertise to blacks and Hispanics. While it goes into a few magazines for those markets, it especially emphasizes black papers like the *Amsterdam News* and *Big Red*, New York publications. Most of its pitches to Hispanics are still limited to areas like Miami and Los Angeles. And while the target age range for both ethnics and whites is the same — 25- to 50-years-old — the income level of ethnic customers skews lower.

"I assume you drink Martell."
MARTELL
The Pride of Cognac. Since 1715

Now Burrell does all the pitching for Martell.

Martell mostly uses magazines to advertise to the white market. It is found in books that include *New Yorker, Gourmet, Time* and *Playboy*. Martell spent about $5 million on advertising in 1985, a figure the company says will increase somewhat for 1986.

Remy Martin claims a 12% share of the cognac market, according to *Impact*. The brand, imported by Premiere Wine Merchants, saw depletions rise 11.4% in 1984.

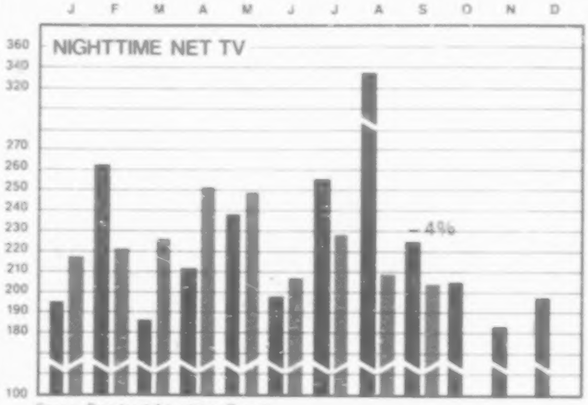
In 1985 the brand launched a new campaign that's light on copy, heavy on image. The creative often features a pair of hands, a Remy-filled snifter and the tagline: "Explore the sense of Remy." The campaign targets men and women equally, 25- to 45-years-old with incomes starting at $35,000. The campaign often runs as a three-page spread and gets heaviest play from November through March, and again around Father's Day.

The campaign appears in books that range from *Bon Appetit, Esquire, Architectural Digest*, and *Forbes*, to *European Travel & Life, New Woman* and *The Los Angeles Times Magazine*. The campaign's budget, put at $6 million for 1985, tilts 85% towards print, 15% towards outdoor — mostly aimed at the ethnic market. Remy also takes the unusual step of advertising on Spanish cable tv. The company says its 1986 budget will increase slightly above print rate-base increases.

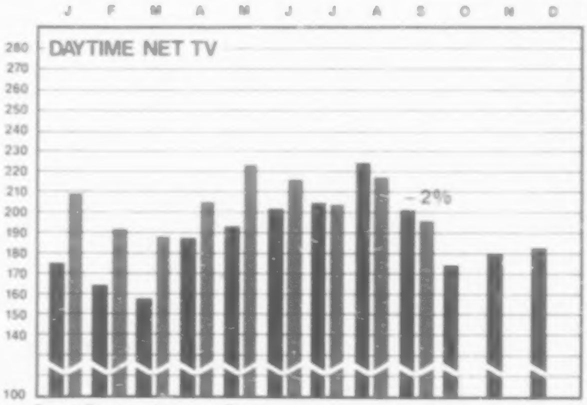
Carol Hall

MEDIA COST INDEX

Black bars index for 1984; color bars 1985; base year 1977



Source: Broadcast Advertisers Reports



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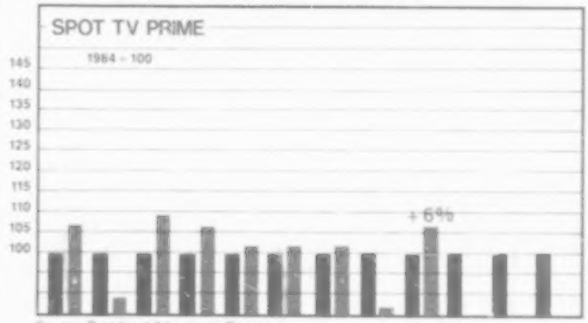

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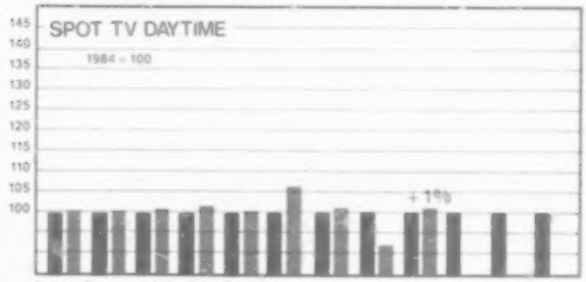
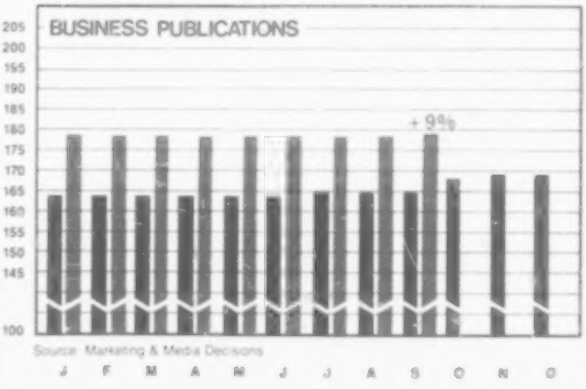


Source: Broadcast Advertisers Reports



Source: Marketing & Media Decisions

Television rates for September 1985 were once again fairly comparable with the year before, after a month of distortion caused by 1984's Olympics, et al.

Prime time network tv rates were down 4% from September of 1984 — after the August rates had dipped some 38% from the previous year, according to Broadcast Advertisers Reports. The **daytime network** rates were only down by 2%, although they had only dropped by 7% in August from 1984.

Prime time spot tv, meanwhile, saw a rate increase of 6% over September 1984 after dipping some 14% in August. **Daytime spot tv** was up by 1% after it had trailed 1984's rates by 8% in August.

There were few such turnarounds in other media. National **Sunday magazines** showed no real increase over 1984 at all for September, after registering 10%-11% increases for most of 1985. This change, which started with an increase of only 1% in August, is due to the reorganization of *Family Weekly* into *USA Weekend* and the subsequent dropping of its rates. Overall rates should go back up in October as *Parade* adjusts its costs to match its expanded markets.

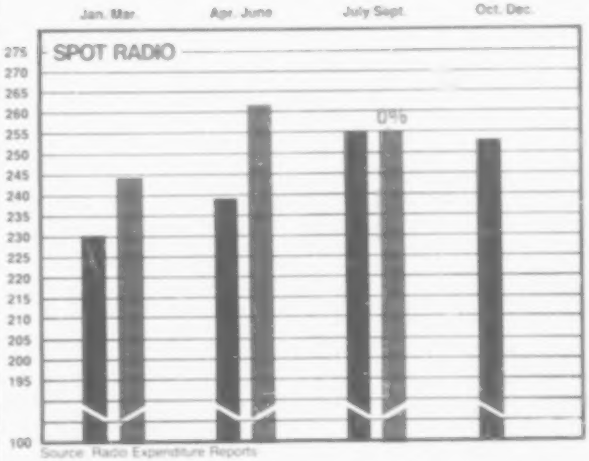
Consumer magazines, meanwhile, showed an 8% rise over 1984, as they have every month since February. **Business publications** were up by 9% — the same percent rise over comparable 1984 months that has been true since April. Rounding out the print media, **daily newspapers** were up by 9%.

Outdoor ad rates were up by 7% over 1984, according to the Institute of Outdoor Advertising.

Spot radio rates are compiled on a quarterly basis by Radio Expenditure Reports, and will not be available again until the March issue. **Network radio** is being compiled this year on a new basis, measuring 15 networks as opposed to last year's seven. With January representing 100, the index for October is 147.

MEDIA COST INDEX (continued)

Black bars index for 1984; color bars 1985; base year 1977



Source: Radio Expenditure Reports

The Media Cost Index reflects trends extracted from available sources. This analysis uses standard competitive report sources to develop comparable costs that reflect monthly cost trends by medium. Where industry competitive sources are unavailable, selected cost data from SRDS are sampled.

Sources:

Nighttime Network TV — Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV — Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio — Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

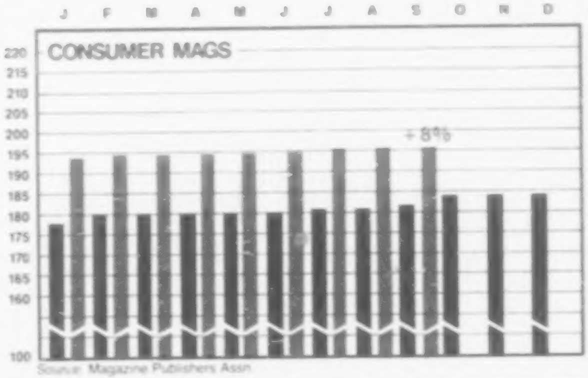
Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

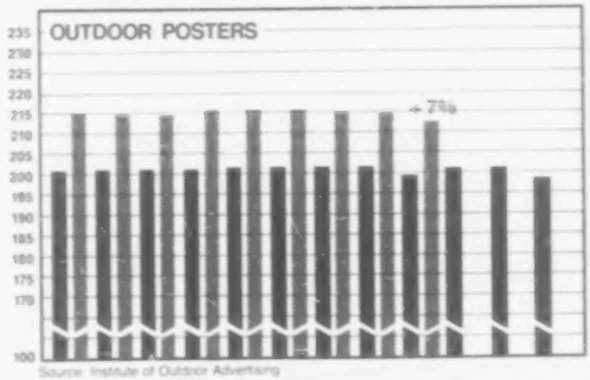
Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

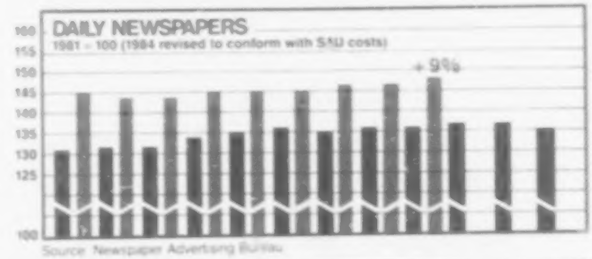
How to read: Media Cost Index reflects latest available costs compared with base year 1977. Percent change shows rate of change from the same month in previous year.



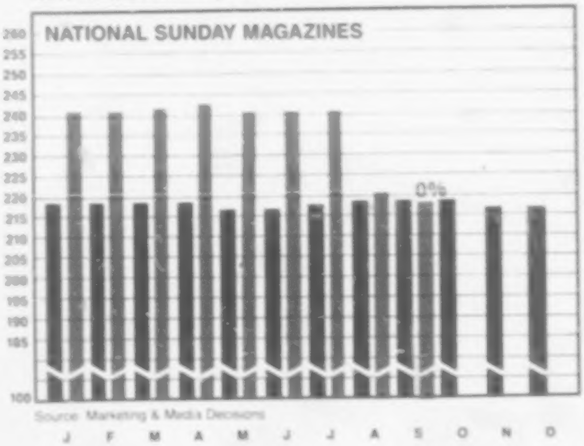
Source: Magazine Publishers Assn.



Source: Institute of Outdoor Advertising



Source: Newspaper Advertising Bureau



Source: Marketing & Media Decisions

LIONEL KAUFMAN: *Continued from page 54.*

contracts. We use newspapers as we need them."

Actually, newspapers are thinking of starting off both retailers and nationals at the same level. As each one reaches a certain volume, he gets an equal discount. If a national advertiser uses just an occasional opportunistic buy, while the retailer comes in every day, the former will pay the "one-way fare" while the latter gets a "daily commutation ticket."

The kiss and curse of coupons

On the creative side, coupons are all many agencies can think of to fill newspaper ads for packaged goods.

Agencies first tried direct mail, such as Donnelley's co-op mailings, to distribute coupons. When postal rates skyrocketed, mail users had to seek alternatives.

This was a mixed blessing for newspapers. Direct mailers went for newspaper inserts, but so, too, did some of the newspapers' biggest rop advertisers because of quality and color advantages. Newspapers were being changed from an advertising medium to an advertising carrier. Entrepreneurs like Velassis were buying inserts and "brokering" space to advertisers.

After suffering declining third-class business, the Postal Service struck back last year. They offered to let three advertisers cohabit one mailing at a rate that newspapers couldn't match. Hartford-based Advo, America's largest mailing house, jumped in and copyrighted the term MARRIAGE MAIL™. John Blair Company later bought Advo, and together they covered the map with branch offices to bring inserts back to the mailbox.

They don't seem to be succeeding. Many of the new branches have closed or consolidated, and Blair's bottom line has moved from black to deep red.

As I exit from this business, the formerly local newspaper medium seems to be spreading its wings nationally. New four-color capabilities and satellite transmission are making it possible. The *Wall Street Journal* now spreads financial information from a network of plants. The *New York Times* now offers its "newspaper of record" nationwide, home delivered in many cities. Grabbing most of today's publicity is Gannett's *USA Today*, serving up the short, sweet, colorful news America is used to getting on tv. *USA Today*'s vending machines are even *shaped* like a television screen.

Tobacco could eventually disappear from print, and a search for a successor income producer is in order.

And while newspapers are trending nationally, magazines are rounding out their medium with local titles — city magazines, city business magazines.

And now the business press

I can't forget the business press because that was my very first assignment in this field. Gardner Advertising's New York office asked its new trainee to write McGraw-Hill's corporate campaign before he was old enough to vote. Weren't trade ads where you let a newcomer get his feet wet?

In my 55 years I've seen two important changes in this medium. When McGraw-Hill stopped calling "unpaid" a dirty word, controlled circulation — truly controlled — won advertiser approval. Yet for years the Audit Bureau of Circulations newspaper members, to whom unpaid is anathema, kept voting it down. Finally ABC gave the trade press a special dispensation, provided that 70% of their circulation was either paid or controlled by personal written request.

ABC's 291 members are a minority compared with the 1,164 of Business Publications Audit, which specializes in auditing business papers. BPA produced the second important development in this field: comparability.

For years it was impossible to compare one book's breakdown of its circulation by business and job function with another's. BPA set up a comparability program where each classification of books sits down in committee and agrees on a common format that all must use. To date 180 of BPA's 240 markets have functioning comparability programs.

Lionel Kaufman

REACH A TOP TEST MARKET

The Albany, N.Y. metro's #1 media buy delivers over 60% reach in virtually every key demographic. Call Chris Cunningham, Jr. at (518) 454-5680 for details.

100 GRP IMPACT
Only $20 CPP

Knickerbocker News
TIMES UNION
SUNDAY TIMES UNION
ALL-TIME HIGH
171,053 CIRCULATION

NOBODY COVERS
NEW YORK'S CAPITAL LIKE
New York's
CAPITAL
NEWSPAPERS

TIMES UNION
Mornings & Sunday
Knickerbocker News
Evenings
HEARST NEWSPAPERS

Ever wish you could start your day over?

Well, now you can!

Buy U.S. Savings Bonds
and Get Your Future
off to a Good Start!

c2950-3

MARKETING & MEDIA DECISIONS

February 1986 · $3.00

A 15-SECOND TIME BOMB?

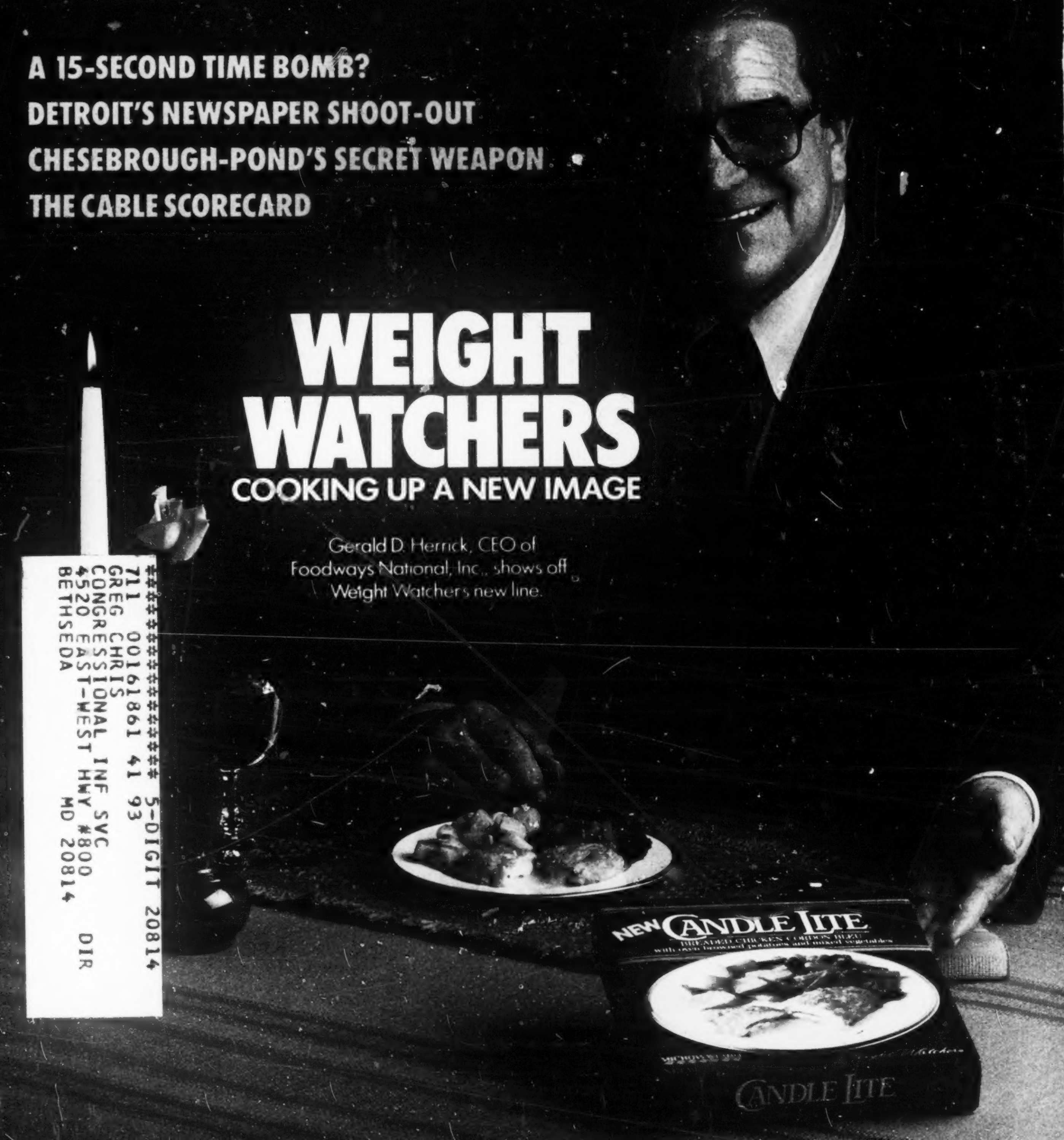
DETROIT'S NEWSPAPER SHOOT-OUT

CHESEBROUGH-POND'S SECRET WEAPON

THE CABLE SCORECARD

WEIGHT WATCHERS

COOKING UP A NEW IMAGE


NEW CANDLE LITE
BREADED CHICKEN CORDON BLEU
with oven browned potatoes and mixed vegetables
CANDLE LITE

Gerald D. Herrick, CEO of Foodways National, Inc., shows off Weight Watchers new line.

#################### 5-DIGIT 20814
711 00161861 41 93
GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

NETWORK EXECUTIVE
Out To Lunch
Back at 4:45

COVER STORY

WEIGHT WATCHERS GETS IN SHAPE 54

For a variety of reasons, Weight Watchers fell out of step with America's fitness craze. But look out, Lean Cuisine . . . they've got their second wind.

FEATURES

THE 15-SECOND TIME BOMB 36

Much has been said about the effect of the solo 15 of the tv medium. But what is this innovation going to do to investments in the other media? Let the seller beware.

ALL'S TIGHT IN THE UPFRONT 46

Early indications that the first- and second-quarter net tv scatter markets were going to be a buyer's dream proved to be a bit of wishful thinking. Things are as tight as ever.

MARKETMAP: DETROIT 62

Knight-Ridder's moves to modernize its *Free Press* and Gannett's entry into the market as the new parent of the *News* are stirring up even more dust between these two dueling dailies. Kitty, bar the doors!

CHESEBROUGH-POND'S FORMULA 70

Company officials describe their recent acquisition of Stauffer Chemical as the first step in researching and developing entirely new products. Others warn, however, that they may get burned in the experiment.

CABLE OUTLOOK, 1986 78

The cable medium is approaching two key benchmarks this year: 50% national penetration and the $1 billion ad sales level. *Decisions* gives you all you need to know about this maturing option. Included in our annual overview are a look ahead for the medium (Page 78), profiles of the major cable networks (Page 82), features on the movement away from narrowcasting (Page 84) and the development of pay-per-view national service networks (Page 90), and our exclusive Cable Advertising Scorecard listing the top 20 agency users of national cable, including the clients, where they were placed, billings for 1985 and projected billings for 1986 (Page 100).

BRAND REPORT 130: LIGHT TRUCKS 113

The growth of vans, minivans, compact pickups and compact light utility vehicles is moving at breakneck speed. The keys: versatility, design advances and a clean fit with new lifestyles. The rule seems to be, the smaller and lighter, the better. Only the larger vans have seen sales go flat.

DEPARTMENTS

PRO FILES 6

Byron Lewis is leading his second-ranked black advertising agency, Uniworld, into a slew of new business commitments. At Perception Research Services, Elliot Young has unveiled his first public "Open Eyes" survey of how people read magazines.

PRINT BEAT 17

So much for lip service. The new 4A's report on the rate differential finds that newspapers charged national advertisers an average of 64% more than local retailers in 1985, up 3% from 1984.

UPDATE 20

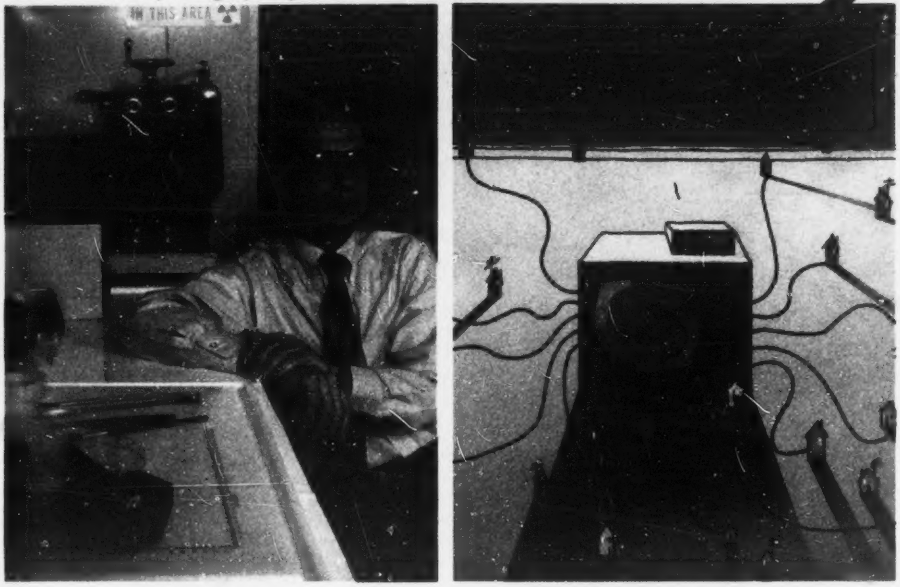
The developments affecting this year's media cost outlook were the subject for Marketing & Media Week's panel of agency experts.

LETTERS 22

Our December cover story on media

February 1986, Vol. 21, No. 2

Cover photograph by Steven Welsh



training programs was the number-one subject in this month's mailbag.

DIRECT MARKETING 28

Catalogs are big, and they're going to stay that way through the end of the decade, according to a recent study.

CREATIVE CONCEPTS 32

Defying popular wisdom, agency Doyle Graf Mabley has designed a campaign for client Swissair that returns that carrier to tv after a 12-year absence — but does so using only 10-second spots.

DEBUT 34

It's deja vu at the check-outs as Triangle Publications' revives *Good Food* to bridge the gap between women's service books and epicurean magazines.

BROADCAST BEAT 135

Executives returning from INTV and NATPE are talking up King World's newest talk offering, *The Oprah Winfrey Show*.

ON THE DOCKET 138

Wally Snyder, senior vice president of government relations for the American Advertising Federation, gives his Capitol-eye view of the year ahead for advertising.

POINT/COUNTERPOINT/POLL 140

The economy is the subject as a bull and a bear square off, and our readers report how the economic climate is affecting their employers and their media plans.

ECONOMIC EYE 142

The Media Cost Index; LNA flash figures for magazine ad investments; an analyst's predictions for tv.

TOOLS OF THE TRADE 144

Cohort analysis helps marketers measure attitudinal and behavioral changes among people born in the same period as they move through time.

SALES PROMOTION 148

Where's the Cap'n? If you're looking for the captain of pre-sweetened cereal promotions, look no further than Cap'n Crunch's Quaker Oats.

THE LAST WORD 150

Is advertising more or less important than it has been in the past? Harvard professor Stephen Greyser tackles the question.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 126

Print and radio spend a lot of time and money trying to discredit tv as the number-one ad choice. Maybe it's time they turned their attention to defining their own unique advantages instead.

MAGAZINES *Gerry Eilers* 127

Trade advertising is becoming the forum for specialty magazines to shake up their images and open the doors to new business.

TELEVISION *Stephen H. Martin* 129

It may mean more work for your agency, but so what? The fact is, alternatives to network prime tv can be every bit as effective as a network buy, at less than half the cost.

NEWSPAPERS *Stephen Jacoby* 131

The use of supplements and specialized editorial sections can add a modern, and effective, twist to the use of the oldest ad medium.

MARKETING *Donna Campanella* 132

Media reps are taking the path of least resistance by bringing their messages directly to the client. It's a peril-ridden tactic — for the rep, for the client, and for the agency.

PRINT BEAT

by Fred Pfaff

NO RELIEF FROM RATE DIFFERENTIAL

You figured that agency indignation over rates and newspapers' moaning over national business would help reduce the rate differential. So did the Four A's. Their soon-to-be-released 1985 study, however, reports that the differentials in 1985 averaged 64.6%, the highest ever recorded. Not only did last year's average discrepancy jump 4% -- the biggest papers (over 250,000 circulation) with the best shot at national dollars jumped 8.2%, more than any category. Some 66 papers charged national advertisers at least 100% more than their local counterparts. "Gratifying" to the Four A's, though, was the fact that papers between 50,000 and 250,000 circulation combined for a lower average differential.

Here's how it runs according to the Four A's:

ABC circulation	1985 general vs. retail rate	1984 general vs. retail rate
less than 25,000	+48.26%	+38.19%
25,001 - 50,000	+48.84%	+47.28%
51,001 - 100,000	+52.89%	+53,65%
101,000 - 250,000	+70.83%	+74.74%
over 250,000	+94.41%	+87.24%

BRIGHT SIDE OF THE BOSTON (BOFF!) SQUABBLE

Owner Rupert Murdoch and Boston Herald executives aren't the only ones smiling since a judge upheld Murdoch's right to transfer his News America comics -- including "B.C." and "Andy Capp" -- from the rival Globe. Tom Craddock, comics sales director at Metropolitan Sunday Newspapers, Inc., couldn't be more excited. The first two issues (January 5 and 12) of the Herald's "All New Comics Section" adapted two of the innovative front-page ad/edit formats that Metro's 21st Century Comics committee suggested a year ago.

Spurred on by the breakthrough, Craddock will "compile pages of what the Herald has done and promote the hell out of it." That's not all. Coming soon is a "Creative Comics Ad Contest" for agency creatives. Winners get a check or a trip; comics get agency exposure; Craddock gets a promo piece in time to pitch for 1987 ads. Craddock is pitching such biggies as General Foods for a front-page franchise in comic sections -- one-sixth of a page for a year for about $3.3 million. Also banging away on agency doors is promo outfit Sunday Family Shopper, a new Metro client that buys and resells comic space.

CABLE AD SCORECARD

A GUIDE TO THE TOP 20 AGENCIES IN CABLE, BY BILLINGS

Key to abbreviations

A&E: Hearst/ABC Video Enterprise Alpha Repertory Television Service. Cultural programing, relaunched as Arts & Entertainment January 1984.

BET: Black Entertainment Television. Black-oriented sports, features and movies.

CBN: CBN Cable Network. General interest, all-family drama, sitcoms, westerns.

CNN: Cable News Network. Ted Turner's 24-hour, all-news channel.

CNNHS: Cable News Network Headline Service. Brief international and national news update.

ESPN: Entertainment and Sports Programing Network, a sports channel.

FNN: Financial News Network. Financial/investments news and stock quotations.

LIFETIME: Women's service/health and fitness from Hearst/ABC/Viacom Entertainment Services.

MSG: Madison Square Garden Sports.

MSN: Modern Satellite Network. General information channel, including the Home Shopping Show.

MTV: 24-hour contemporary music channel; part of MTV Networks, a subsidiary of Viacom International, Inc.

NICKELODEON: All-children's programing; part of MTV Networks, a subsidiary of Viacom International, Inc.

SIN: National Spanish Television Network. All Spanish programing.

SPN: Satellite Programing Network. Talk shows, movies, how-to.

TNN: The Nashville Network. Country/western music, with variety, comedy and sports.

TWC: The Weather Channel. Landmark Communications' 24-hour national, regional and local weather information with special weather features.

USA: USA Cable Network. Sports, women's talk shows, children's.

VH-1: Video Hits One, adult music video channel from MTV Networks, a subsidiary of Viacom International, Inc.

WTBS: Ted Turner's WTBS-TV, Atlanta, superstation.

YOUNG & RUBICAM

Ira Tumpowsky
Senior vice president, group supervisor of cable

Clients using national cable:
AT&T
Cadbury
Canada Dry
Chiquita Banana
Clorox
Colgate-Palmolive
Disney Productions
Dr Pepper
Du Pont
Ford Corp.
Ford Division
Frito-Lay
General Foods
Jamaica Tourist Bureau
Johnson & Johnson
Kentucky Fried Chicken
Kodak
Lincoln-Mercury Division
Merrill Lynch
NYNEX
Oil of Olay
Olympic Stain/Paint
Richardson-Vicks
RJR Foods
Suzuki
U.S. Postal Service
Warner-Lambert

Networks used: A&E, CBN, CNN, CNNHS, TNN, Nickelodeon, TWC, BET, SIN, FNN, Lifetime, MTV, Nickelodeon, USA, WTBS, ESPN

1985 billings: $45 million
Projected 1986: $50-$52 million

D'ARCY MASIUS BENTON & BOWLES

Irwin Gotlieb
Senior vice president, director, national broadcast and programing

Clients using national cable:
American Dairy Association
Amoco
Anheuser-Busch
Cadillac-Pontiac
Coleman
Corning
Equitable
FTD
General Foods
Mars, Inc.
Procter & Gamble
Richardson-Vicks
Whirlpool

Networks used: USA, TWC, BET, CBN, CNN, CNNHS, WTBS, A&E, Lifetime, FNN, MTV, ESPN, SIN

1985 billings: $29 million
Projected 1986: $32 million

BBDO

Arnie Semsky
Executive vice president, director of media and programing services

Clients using national cable:
Black & Decker
Campbell
Casio
Delta
Dodge
Du Pont
Frito-Lay
Honeywell
General Electric
HBO
Lever Bros.
Menley & James
Pepsi
Phillips Petroleum
Pillsbury
Quaker Oats
Stroh
Visa
Wrigley

Networks used: ESPN, CNN, USA, WTBS, CBN, TNN, MTV, Lifetime, BET, TWC, A&E, VH-1

1985 billings: $27 million
Projected 1986: $36.5 million

FOOTE, CONE & BELDING

Frank Gromer
Senior vice president, director of corporate media

Clients using national cable:
Alaska Tourism
ARCO
Armour-Dial
CALRAB
Celestial Seasonings
Clorox
Colgate
Computerland
Coors
Emerson
FI Bancorp
Fancy Feast
Frito-Lay
Kimberly Clark
Kraft
Levi Strauss
Long John Silver's
Mazda
Nutra Systems
Pacific Telesis
Pearle Health Services
Pennsylvania Lottery
S.C. Johnson
Sara Lee
Sears Financial Network
Silo
Sunkist
U.S. News & World Report (no longer client)
Zenith

Networks used: WTBS, CBN, CNN, USA, ESPN, TNN, MTV, A&E, Lifetime, FNN, TWC, SNC, SIN, SPN, Nickelodeon

1985 billings: $24 million
Projected 1986: $29 million

J. WALTER THOMPSON

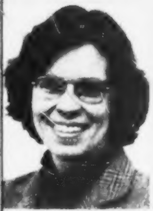
Norm Varney
Senior vice president, U.S. director, new electronic media

Clients using national cable:
American Gas Association
ANCO
Benetton
Champion
Chevron
Dole
Eckerd Drug
Emery
Ford
Gerber
Goodyear
Hyatt
Kemper
Kodak
Kraft
Lever Bros.
Locktite
McDonnell-Douglas
Miller
Nestle
Northwestern Mutual Life Insurance
Orkin
Quaker
Ryder
S.C. Johnson
Scott Paper
Showtime/Movie Channel
Six Flags
Sprint
Twentieth Century-Fox
U.S. Marine Corps
Warner-Lambert
Weather Channel
W.F. Young

Networks used: A&E, BET, CBN, CNN, CNNHS, ESPN, FNN, Lifetime, MTV, TNN, Nickelodeon, SIN, TWC, USA, WTBS

1985 billings: $22 million
Projected 1986: $25 million (same)

DANCER FITZGERALD SAMPLE



Beverly O'Malley
Senior vice president, director of electronic media

Clients using national cable:
American Cyanamid
Entre Computer
Florida Dept. of Citrus
General Mills, Inc.
Hanes
Lorillard
Mexico
Nabisco/Lifesavers
Pioneer
POPSICLE™
Procter & Gamble
RC Cola
Toyota
Wrangler
Wendy's
Western Union

Networks used: TWC, CNN, WTBS, MTV, ESPN, Lifetime, Nickelodeon, USA, TNN, CBN, VH-1

1985 billings: $19.4 million
Projected 1986: $20.3 million

GREY ADVERTISING

Alec Gerster
Executive vice president of media and programing

Clients using national cable:
Acme
BF Goodrich
Block Drug
Boehringer Ingleheim Ltd.
Borden
Canon USA
Carter Wallace
General Foods
Holly Farms
Kenner
3M
No-Nonsense
Procter & Gamble
Playtex
RCA Records
Remington
Timex
Warner Bros.

Networks used: CNN, WTBS, ESPN, Lifetime, USA, MTV, MSG, Nickelodeon, SPN, SIN, TNN, TWC, CBN, VH-1

1985 billings: $18 million
Projected 1986: $18 million

SAATCHI & SAATCHI COMPTON ADVERTISING

Steve Fajen
Senior vice president, media director

Clients using national cable:
American Motors
British Airways
Johnson & Johnson
PaineWebber
Procter & Gamble
Thompson Medical Int'l

Networks used: CBN, CNN, BET, WTBS, USA, A&E, ESPN, MSG, TNN, Lifetime

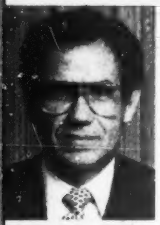
1985 billings: $15.5 million
Projected 1986: $20 million

MARKETING & MEDIA DECISIONS

29,307 PROSPECTS*

*BPA December 1985, Average Qualified Circulation

DOYLE DANE BERNBACH



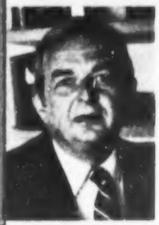
Bart McHugh
Senior vice president, director of cable television

Clients using national cable:
American Greetings
Chanel
Colombian Coffee
Diners Club
Foodway
GTE
Hershey
IBM/ISG
Michelin
Mobil
Paul Masson
Porsche-Audi
Seagram Wines
Sylvania
Universal
Volkswagen

Networks used: MTV, WTBS, Lifetime, USA, CNN, BET, Nickelodeon, ESPN, SPN, TNN, VH-1, TWC, CNNHS, A&E, CBN

1985 billings: $14.3 million
Projected 1986: $15.5 million

OGILVY & MATHER



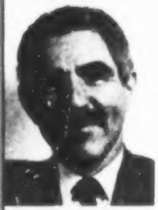
Kenneth Caffrey
Executive vice president, director of media and broadcast operations

Clients using national cable:
American Express
AT&T
Campbell
Columbia Pictures (no longer client)
Duracell Batteries
Ex-Lax
General Foods
Kimberly Clark
Owens Corning
Publishers Clearinghouse

Networks used: WTBS, CBN, CNN, CNNHS, FNN, USA, ESPN, MTV, Lifetime, TNN, TWC

1985 billings: $14 million
Projected 1986 billings: $15 million

TED BATES



Joel Segal
Executive vice president, director of network television

Clients using national cable:
Carter Wallace
Colgate-Palmolive
Continental Baking
General Foods
Mars, Inc.
Panasonic
Prudential Insurance
U.S. Navy

Networks used: CBN, WTBS, ESPN, Nickelodeon, MTV, USA, Lifetime, VH-1

1985 billings: $10.5 million
Projected 1986: $10.8 million

Cash in on the vitality of the industry's service magazine

Our market of influence is bigger than ever. *Decisions* is read and used by nearly 2,500 more of your business prospects than a year ago. Call Dave Bentley, Publisher, (212) 391-2155.

MARKETING & MEDIA DECISIONS

NEEDHAM HARPER WORLDWIDE

Wes Dubin
Senior vice president, broadcast, director of network television and radio

Clients using national cable:

Clorox
Embassy Pictures
Frigidaire
G.D. Searle
General Mills
Honda
ITT
Kraft
National Network
Quasar
Ramada Inns
Rubbermaid
Sears
Shasta
State Farm Insurance
Xerox

Networks used: WTBS, CNN, MTV, FNN, TNN, CBN, TWC, Lifetime, USA, ESPN, A&E, CNNHS, Nickelodeon, BET

1985 billings: $10.5 million
Projected 1986: $14 million

LEO BURNETT

Willard Hadlock
Senior vice president, director of media services

Clients using national cable:

Allstate
Heinz
Kellogg
Maytag
McDonald's
Memorex
Nestle
Oldsmobile
Pillsbury
Procter & Gamble
RCA
Starkist
Union Carbide
United Airlines
Wilson Sporting Goods

Networks used: ESPN, WTBS, CNN, USA, SPN, CBN, Nickelodeon, Lifetime, CNNHS, TWC, TNN, FNN, MTV, BET, A&E, VH-1

1985 billings: $10 million
Projected 1986: $13-$15 million

WELLS, RICH, GREENE

Bob Geis
Senior vice president, corporate media director

Clients using national cable:

Ford
MGM/UA (no longer client)
Miles
Mobil
National Enquirer
Pan Am
Procter & Gamble
Ralston Purina (no longer client)

Networks used: WTBS, CNN, ESPN, USA, MTV

1985 billings: $9 million
Projected 1986: $10 million

MARKETING & MEDIA DECISIONS

Those who make them, read us.

CUNNINGHAM & WALSH

Gil Farley
Vice president, television program director

Clients using national cable:
C.B. Fleet
Mitsubishi
Procter & Gamble
Ricoh
Schieffen & Co.
Sterling Drug

Networks used: WTBS, CNN, CBN, Lifetime, MTV, ESPN, USA, TWC, MSG, Sports Channel, TNN

1985 billings: $8 million
Projected 1986: $8.5 million

McCANN-ERICKSON

Ira Carlin
Senior vice president, media director

Clients using national cable:
AT&T Communications
Coca-Cola
Gillette
Hilton Hotels
Johnson & Johnson
Kodak
L'Oreal
Mennen
National Dairy Association
Nestle
Shearson Lehman/ American Express (no longer client)
Sony
Swatch Watches
Texas Instruments

Networks used: CNN, WTBS, MTV, ESPN, A&E, FNN

1984 billings: $7 million
Projected 1985: $11 million

WILLIAM ESTY COMPANY, INC.

Thomas Winner
Senior vice president, director of broadcast operations

Clients using national cable:
Chesebrough-Pond's
Genessee
MasterCard International
Minolta
Nabisco
Nissan
Motor Corp. in USA
Noxell
Tambrands
V Travellers

Networks used: CNN, ESPN, WTBS, USA, MTV, TNN, A&E, VH-1, Nickelodeon, MSG, Sports Channel

1985 billings: $6.8 million
Projected 1986: $8.5 million

CAMPBELL-EWALD

Judy Sawyer
Senior vice-president, director of national broadcast

Clients using national cable:
A.C. Delco
Chevrolet
Delco Electronics
Eastern Airlines
GMAC
Mennen
National Car Rental
Rockwell

Networks used: WTBS, CNN, CNNHS, USA, ESPN, TWC, FNN, TNN, CBN, MTV, VH-1, A&E, Nickelodeon

1985 billings: $6.5 million
Projected 1985: $9 million

N W AYER

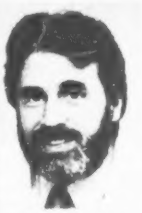
Robert Igiel
Senior vice president, director of programing and network negotiations

Clients using national cable:
AT&T Communications
AT&T Corp.
Bahamas
General Motors
J.C. Penney
Seven-Up
U.S. Army

Networks used: MTV, A&E, CNN, WTBS, CBN, TWC, ESPN, Lifetime, BET, USA, FNN, TNN

1985 billings: $4.5 million
Projected 1986: $6 million

SSC&B



Gary Carr
Vice president, director of network operations

Clients using national cable:
Carnation
Heineken
Lego
Mennen
Noxell Corp.
Steak & Ale

Networks used: ESPN, MTV, WTBS, TWC, CNN, USA, Nickelodeon

1985 billings: $3.2 million
Projected 1986: $3.5 million

BRAND REPORT

NO. 130: LIGHT TRUCKS & VANS

BURNING RUBBER

by Carol Hall

"It's amazing — light truck sales have sky rocketed," exclaims one analyst. In 1985, unit sales for the category surpassed the four million mark, imports and domestics combined. That finish is well ahead of the 1984 record of 3.3 million, itself a jump from the 1983 total of 2.7 million units.

"It's been a case of an industry perceiving a demand, making the right product to fit it, and marketing it well," explains Sheriden Brinley, spokesman for the Motor Vehicle Manufacturers Association's motor truck division. In the last three to five years, manufacturers of light truck entries — vans, minivans, compact pickups and compact sport utility vehicles — have virtually collided with one another bringing new products to market. By 1985, light trucks accounted for roughly 27% of all motor vehicles purchased in the U.S.

The reason? In a word, versatility. Falling in the range of zero-to-14,000 pounds, even the smallest of them can lug more cargo or squeeze in more passengers than the biggest station wagon. Most can tow more than that station wagon, and their fuel efficiency is comparable. They handle as well as any car and their "truckiness" makes some drivers feel safer. They don't look like a truck, though (they're more than suitable for pulling in under the country club portico), and come loaded with a variety of car-like options: AM-FM stereos, air conditioning, power windows, even lighted vanity mirrors.

But best of all, they are priced to compete not only with that suburban workhorse, the station wagon, but smaller cars, too. And with OPEC on its knees, fuel prices have ceased to spiral. "Even though fuel isn't cheap, people don't *perceive* a fuel crunch," one industry observer notes. The American driver feels more footloose with the gas pedal and is again willing to think about buying something other than a compact car.

You can't dress it up, but you can take it out.

With the average age of the light truck buyer being 35-years-old, it also makes sense that the interest in physical fitness and outdoor activities plays a part in the sales boost. It fits into "the Abercrombie & Fitch attitude" comments one observer. "I'm probably a classic example," adds Ann Knight, a PaineWebber analyst. "I bought a house in the country last year and immediately bought a minivan to haul around pieces of lumber. Ten years ago I wouldn't have done that . . . *five* years ago I wouldn't have done that." She's a classic example for another reason: An increasingly large percentage of light trucks, especially minivans, are being bought by women — they say they like the extra room and good road-handling.

Advertising in the light truck category varies from segment to segment. In general, though, newspapers are used to a large extent, but space is usually bought either as part of a co-op plan with dealers or through dealer advertising organizations that act independently of the manufacturer. Radio usage follows similar lines.

Television buys vary, too, with spot placements often more heavily backed than network. Standard-size vans rarely show up in tv commercials; instead, marketers tend to target their pitches with magazine buys. But compact pickups and small sport utility trucks are continuing to get tv dollars because the competition in those categories is heating up; they often favor spot buys. Minivans are showing up quite a bit on network tv, as well as local, because the category is still relatively new and lots of new entrants are still rolling onto the market.

COMPACT PICKUPS

Of the four hot-selling light truck categories — minivans, vans, compact sport utilities and compact pickups — the small pickup remains the buggy with the best sales traction. According to Ward's *Automotive News*, sales of the pickup for the first eleven months of 1985 totaled more than 1.2 million, a 17% rise from 1984's 1.03 million for the same period. One big reason small pickups are so attractive is that, as with minivans, they are cheaper than their full-size counterparts. That makes them appealing to buyers who are looking to save money and who can get by with less cargo space.

The category opened up in the mid-1960's and while marketers are optimistic about sales for the immediate future, they think the market may be maturing. The compact pickup doesn't draw from the passenger car or station wagon market the way a minivan or even a compact sport utility does. It relies instead on truck replacement, making its market somewhat quicker to saturate.

According to a survey conducted by the market research firm J.D. Powers & Associates, 62% of compact pickup owners are married, 26% are college graduates and the average household income is $35,700. Of those surveyed, 87% of the principle maintainers of the vehicle were male. But in this category, as in other light truck segments, that figure is often misleading. Though the vehicle may be registered in the name of a man, marketers agree that not only do women have an increasing say in the purchase decision, but that in some categories they share the truck driving equally with men.

Of the four categories, the small pickup remains the buggy with the best sales traction.

The **Toyota Motor Sales, U.S.A. Inc.**'s truck, introduced in 1964 (when it sold four units), leads in compact sales with a 1985 total of 329,930. That's a 24% gain over 1984 sales. Though it faces no import quota restrictions, Toyota does have to pay the 25% tax all small-truck importers face. However, the only limit on its growth, the company says, is its own production capacity. Toyota's 1,089 dealers stamp a base sticker price of just over $6,000 on the two-wheel drive and $8,600 on the four-wheel drive models.

Average annual income of the Toyota truck buyer is $32,000, with a third of them being college graduates. Average age for their two-wheel drive buyers is 34 but that drops to 29 years for the four-wheel drive version. That skew to a younger buyer is normal in the four-wheel drive light truck market as a whole because they are used a lot for off-road driving, a sport taken up mostly by younger adults.

Unlike its competitors, Toyota has never offered consumer incentives, such as rebates or special finance rates, on its trucks. According to Leading National Advertisers, Toyota backed its compacts with $25.1 million in 1984. Of that, $12.1 million was in spot, $7.8 million in network; in both cases, sports-oriented shows were the

LIGHT TRUCK MANUFACTURERS' MEDIA EXPENDITURES JANUARY-JUNE 1985 (000)

COMPANY	TOTAL	MAGS	NET TV	SPOT TV	OUTDOOR	NEWSPAPERS	NET RADIO	CABLE TV
COMPACT PICKUPS								
Nissan	$20,258.0	$1,956.0	$6,870.9	$11,017.0	$232.6	Figures Not Available		$181.5
Toyota	10,425.7	2,285.0	3,492.8	3,883.0			47.3	717.6
Ford Ranger	7,765.1	2,835.6	3,718.5	800.7	244.3			166.0
Chevrolet S-10	4,410.5	1,469.7	1,075.6	635.1	48.5			218.1
STANDARD VANS								
Ford Vans	708.3	708.2			0.1			
Chrysler Dodge Ram	608.5	602.8		5.7				
GMC Vandura/Rally	200.1	200.1						
COMPACT SPORT UTILITIES								
Ford Bronco II	6,174.2	2,702.1	3,281.6	128.8				61.7
AMC Jeep Cherokee	5,240.3	478.8	4,473.8	279.6	6.8			1.3
GMC S-15	3,879.0	2,791.0	169.2	308.3			602.4	
Chevrolet Blazer S-10	1,384.3	23.3	933.6		0.7		333.6	93.1
MINIVANS								
Chevrolet Astro	12,180.2	3,462.0	8,238.3	272.1	19.6			188.2
Chrysler Dodge Caravan	4,976.3	172.1	4,469.6	164.6	1.3			168.7
Chrysler Plymouth Voyager	4,572.2	1,514.3	2,704.1	280.4	16.0			57.4
Ford Aerostar	Figures Not Available							

Source: Leading National Advertisers

main placement choices. LNA reports that expenditures for the first six months of 1985 totaled $10.4 million. Toyota's local tv buys land it in 50 to 100 different markets. Magazine buys for 1985 include *Sports Illustrated*, *Time*, *Motor Trend*, *Venture* and *Rolling Stone*. Women's books, says Borst, were dropped because the company doesn't feel they are effective for selling trucks.

The company just dropped its six-year-old "Oh what a feeling" campaign, switching to "Who can ask for anything more?" "We didn't feel the campaign was worn out or anything — it's the second most recognized commercial campaign in the automotive industry," explains Borst. "But the competitive conditions for '86, '87, and '88 will be intense. We felt the product line had moved into a much more high-tech position."

The **Nissan Motor Corp., U.S.A.** truck holds the No. 2 spot in compact pickups, selling 255,601 last year, up from 203,724 in 1984.

Buyers ranged in age from 18- to 49-years-old, with incomes of $25,000 plus. Women accounted for 13% of the truck's two-wheel drive purchases, up from just 7% three years ago. "It's a broad target [market]. It didn't used to be," muses Dave Hubbard, national truck advertising manager. "Now it's hard to tell who'll buy the next one." In terms of demographics, he says, "They've taken on the identity of the cheaper sports car."

While over 50% of Nissan's trucks were made in the U.S., that number dropped to about 40% as more cars are made here. While the company may be pulling back on U.S. production, it backs the line with a whopping budget of about $60 million, says Hubbard. "We're seeing a softening in the truck market and you put your money where you want to emphasize sales growth — it's a way of increasing sales."

The trucks' ads don't run under a particular slogan, he says, because the company is still going through the Datsun/Nissan name change. Television advertising breaks down into 30% network, 40% spot, with magazines getting about 15% and the rest split among newspapers, radio and outdoor.

Television buys are male-oriented and include sports shows, *Magnum*

The Case of
The Involved Reader

Clue:
Several top research firms have confirmed that one major magazine has strong and consistent cover-to-cover editorial readership.

Clue:
That same magazine is positionless: ads receive consistently high readership scores no matter where in the magazine they appear.

Clue:
Whether readers are in their home or out, they have an equally strong involvement with this magazine.

Whodunnit?

People weekly
We're America's

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If you've got a job to do... Give it to a busy man.

KIWANIS magazine delivers a unique, quality audience of busy men. Our readers are top executives, small businessmen and professionals.

81.6% Professional/Managerial
40.1% Top Executives
39.0% Member of Company Board of Directors

KIWANIS magazine readers are PUBLICALLY ACTIVE. 97.6% participated in Civic/Public affairs in the past twelve months:

90.6 Voted in Federal, State or Local election
77% Engaged in fund raising
63.1 Addressed a public meeting
57.1 Wrote/visited an elected official
54.7 Took active role in a civic/social issue
27.5 Worked for political party/candidate
21.3 Wrote/phoned radio/TV station
20.2 Wrote to editor of newspaper/magazine

Average number of activities participated in, 5.4.

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P.I., Simon and Simon, the *Equalizer* and network movies — "your basic truck macho," comments Hubbard. Print buys are even more targeted: *Field & Stream, 4-Wheel and Off-Road, Family Handyman, Playboy, Progressive Farmer* and *Dirt Bike*, to name some. Dealers do the bulk of newspaper advertising.

Ford Motor Co.'s Ranger sold 247,042 units in 1985, up 12% from last year. Ford says 75% of the time the car is bought for personal use — to be driven back and forth to work, for instance — and 25% for commercial use. The median age of the Ranger buyer is 37 years and 92% of those consumers are men. In addition, says Ford, 74% of them are married and 43% have white-collar jobs. The base sticker price is about $9,000.

The company says 1986 ad dollars will show an increase. For 1984, LNA reports ad expenditures on the Ranger totaled $15.4 million. For the first six months of 1985, that figure was $7.7 million. TV buys include *Lady Blue, Hunter* and network movies. Print ads are seen in *Sports Illustrated, Home Mechanics, People* and *Four-Wheeler*.

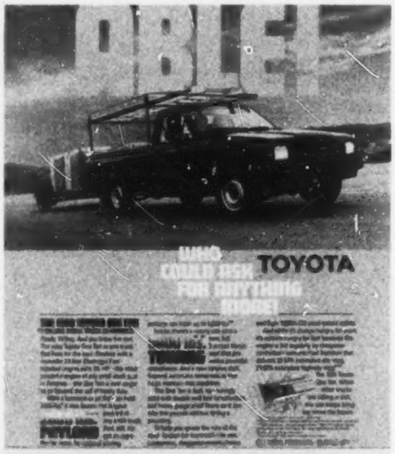
General Motors' **Chevrolet Motor Division** markets the fourth-ranking S-10. Year-end sales totaled 210,051 for 1985, up 11% from 188,661 in 1984. The company says that 70% of its S-10 pickups, introduced in 1981, are bought for personal use.

Feeling the pressure from imports, the company runs a variety of incentive promotions. "Imports have absolutely forced us to go that way," comments Michael H. Erdman, assistant general sales manager. "Between the dealers and us we've probably touched on every kind of merchandising ploy available." He thinks that though there may still be some growth left in the compact pickup market, it will have to come at the expense of regular pickups. That may happen. Price is one incentive — compacts are over $1,000 less — and style may be another. "There are some people who wouldn't be caught dead in a regular pickup but have no problem driving a compact."

The S-10's ad money will grow in 1986. The first six months of 1985 show Chevrolet backing the truck with $3.4 million; the 1984 total was a much greater $20.8 million. Print buys include *U.S. News and World Report, People, Parade, Money, Ms., Family Handyman*, and *4-Wheel Drive and Off-Road* magazine. Tv buys include network sports shows, the *Tonight Show, Late Night with David Letterman, Magnum P.I.* and *Miami Vice*.

STANDARD VANS

The next best-selling category in terms of units is regular-sized vans. They are the one light-truck type, though, to show an overall sales decline. Sales for the first eleven months of 1985, according to Ward's, totaled 506,818, down from 1984's total for the period by 3%.


TOYOTA
WHO COULD ASK FOR ANYTHING MORE!

Toyota's never needed consumer incentives.

The van segment breaks down into two categories that serve two distinct market segments: the commercial/conversion van and the passenger wagon. Basically identical, each manufacturer produces a model for both markets.

The commercial-use van, which comes without rear passenger seating and side windows, is purchased by businesses that range from the local florist to Federal Express. The commercial van, however, is also bought by people who want to get the bare-bones van and take it to a conversion shop for a custom job. With costs for a finished van that can hit the $25,000 mark, these are a far cry from the four-wheel "sin bins" of the 1960's and early 1970's — the type of shag carpeted pad-on-wheels one marketer says "I'd never have let any daughter of mine near." Today's custom van can come with specially designed windows, for instance, or a complete home entertainment center.

These, though, shouldn't be confused with van wagons, the factory-made models with passenger seating and standard side windows that are popular with families or used to ferry church groups, school kids and the like. Both wagons and vans, on average, contain 296 cubic feet of space — nearly twice that of a station wagon.

Ford is the van sales leader and its line comprises the Econoline van and the Club Wagon. Sales for the two lines in 1985 totaled 213,654 for the two, the Econoline selling nearly six times as many as the Club Wagon. Last year's total was 206,178.

It may look like commercial use of Fords vans is soaring but, as with most van lines, more than 50% of the commercial models bought are converted to "luxury vans." Ford says of its Econoline that 55% are converted to a personal-use only van, 15% are used for strictly business and 30% are put to a combined use. Club Wagon's don't follow a straight line either, though, with 15% of them used for business-only purposes. They are a favorite model for businesses that use fleets, such as airport limousine services.

According to Jerry Mittman, marketing plans manager for full-size light trucks, Ford "has spent minimal amounts on the advertising of the Econoline and Club Wagon. Because of the strong demand for them, we've been running at capacity with tremendous backlog orders." (Ford uses few promotional incentives on its van for the same reason.) The advertising it has done has been limited to ads in the *Wall Street Journal*. LNA reports that for 1984, investments were $1.1 million; for the first half of 1985, dollars totaled $708,300.

With so little redesigning over the years, Mittman says it's surprising how well vans have continued to do. Ford, he says, has barely touched the Econoline since its current incarnation was rolled out in 1975. "But over the next five years," he says, all van manufacturers "will have to look for new niches in the market, update the looks of vans and pay attention to fuel economy." Ford is putting fuel injection into some vans, he says, a change that yields better performance and a two-mile-per-gallon improvement in mileage.

Combined sales of **Chevrolet**'s Chevy Van and SportVan slipped 3% in 1985, totaling 171,873 versus 177,323 in 1984. The company attri-

LEADER OF THE RACK

Michigan's largest magazine circulation base belongs to *Michigan Living*. Each month, our pages reach an affluent, educated audience that clips coupons, dials toll-free numbers and places orders the day their issues arrive. Your cost per thousand? Only $9.85 for color; just $8.21 for black and white. So start racking up your own results.

Discover the potential of *Michigan Living*. For rates and editorial, call your local sales representative or *Michigan Living* at 313-336-1516.

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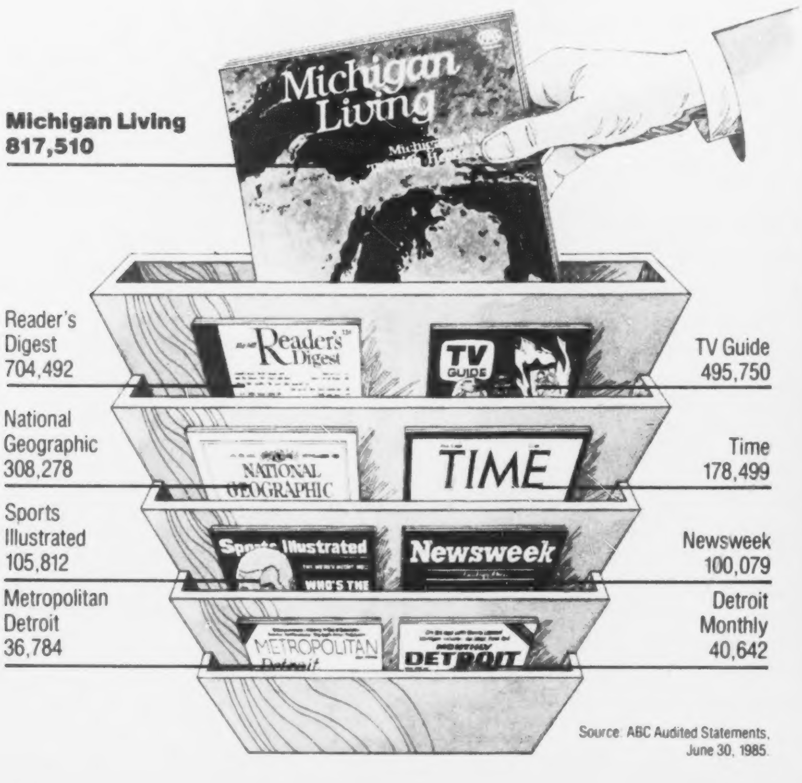
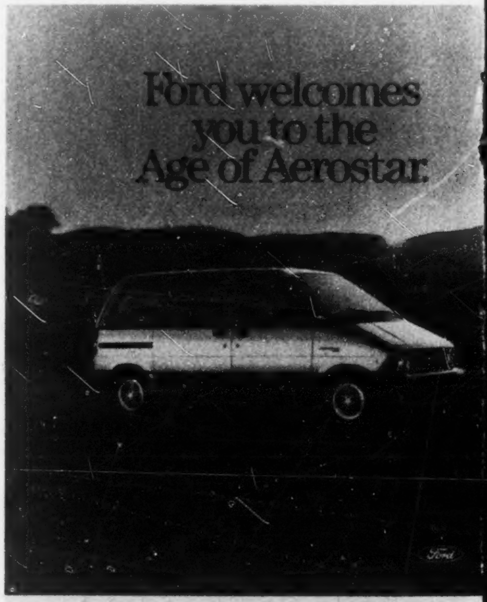
Michigan's best read magazine.



Source: ABC Audited Statements, June 30, 1985.



Sales totals are already impressive

butes the slump to increasing popularity of the minivans. Sales of its vans skew to the commercial-use side — represented largely by its Chevy Van — and the company thinks some would-be van buyers decided they can get by with less cargo space.

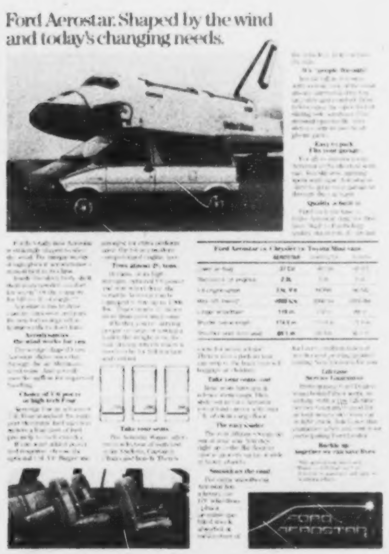
As for advertising this year, says Michael H. Erdman, assistant general sales manager, "We'll probably do a little more. We want to make sure we don't have a total fall-off." Television buys for the vans may increase, he says, because competition in the category is heating up somewhat.

According to LNA, the 1984 total for Chevrolet's van expenditures was $152,000. For 1985's first six months, vans received $14,200, all in magazines. Book titles, however, according to the company, include *Inc.*, *Nation's Business*, *Automotive Fleet*, *Commercial Car Journal*, *Engineering News Record* and *Excavating Contractor*. This suggests that actual spending figures may be higher.

Introduced in 1964, Chevy's entries are sold through 51,000 Chevrolet dealers. Chevy Vans range in cost from $8,626 to $13,076, while SportVans run $10,232 to $15,396.

Chrysler's Dodge Ram Van and Ram Wagon slipped in sales for calendar year 1985 versus 1984. Units moved were down 8% to 103,345 from last year's total of 112,376.

Sales run about three vans to two of


Ford Aerostar. Shaped by the wind and today's changing needs.

for Aerostar, no matter what its age.

Taking The Bite Out Of The Bear.

Even during bull markets, some Wall Street investors worry about the bear showing up to take a bite out of them. But *you* can get the best of the bull and take the bite out of the bear, if you join the Payroll Savings Plan and buy U.S. Savings Bonds. Bonds have a variable interest rate that lets you share in higher returns during bull markets and a guaranteed minimum to protect you against the bear.

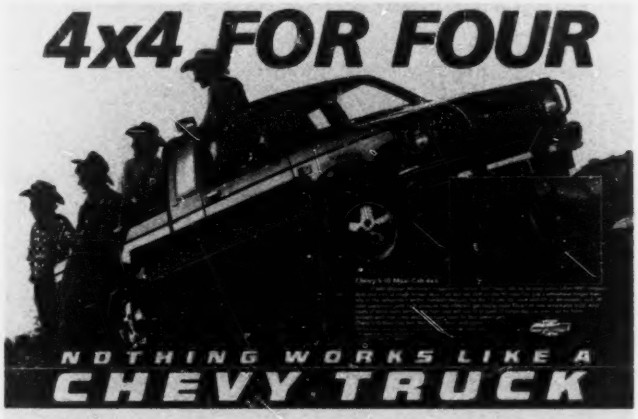
Bonds give you the best of both markets. Because you know that if the bear should appear, his growl will be worse than his bite.

Take stock in America.

UNITED STATES SAVINGS BONDS

every wagon for Dodge. According to Pat Keegan, general manager of truck operations, wagon sales are flattening, as are purchases of its van for conversion. In the future, he says, more ads will be aimed at the commercial market: "If there's a softening in the conversion and recreational vehicle market, then let's go sell 'em to plumbers."

Ad dollars in 1984 totaled $1.1 million, with support about evenly split between the van and the wagon, according to LNA. For the first half of 1985, advertising hit the $608,500 mark, nearly all of it going to vans. Dodge runs no tv commercials for its line "because the market's very closely defined," explains Keegan. "We get more impact if we go into commercial trade books," for the van, he says, adding that advertising for the wagon skews to general interest and books for women — an important market for the family-oriented wagon.



Marketers see compacts as a snazzy alternative.

Under the Dodge slogan umbrella of "The American Revolution," print ads for vans run in books like *Construction Equipment* and *Engineering News Record*, while wagon ads appear in *Reader's Digest* and *Life*, among others.

Trailing the pack somewhat is the **General Motors Corp.** Vandura van and Rally wagon. Their combined 1985 sales totaled 40,607, a drop of 12% from '84's 45,541 units.

GMC says its 1986 ad budget for its line will hold steady with 1985's. For the first six months of 1985, GMC spent $200,000 on ads for Vandura and Rally; 1984's total was $122,400, according to LNA. Its fairly extensive media buys, though, indicate those numbers may be low. The company says what tv buys there are fall into the spot category for both network and broadcast; as with most of the manufacturers, GMC's dealer ad association also buys time.

The company says it doesn't break out the Vandura versus the Rally in its print ads; it just talks up its van line. Print buys include *Time*, *Newsweek* and *Sports Illustrated*. Enthusiast book buys include *Motor Trend* and *Car and Driver*. *Popular Science*, *Home Mechanics*, *Better Homes and Gardens* are among other titles GMC's vans and wagons appear in. No corporate newspaper advertising is done. Dealers are given an ad kit they can use in newspapers.

COMPACT SPORTS UTILITY

Of the four categories, this one is closest to being a hybrid truck/car. Most manufacturers offer four-wheel and two-wheel drive versions alike, making it appealing to off-road enthusiasts. Yet it's also loaded with car-like creature comforts such as power steering and brakes, as well as plush seating.

Sales of these small trucks totaled 489,218 for the first eleven months of 1985, a robust 24% increase over 1984's end-of-November total of 393,214 units, according to Ward's.

Introduced in late 1982 (when it racked up 56,000 unit sales), the **Chevrolet** Blazer S-10 leads the way in sales, moving 187,234 in calendar year 1985. Last year's total was 142,143. Chevy's Blazer S-10, as with a number of other marketers, is the stepchild of its larger, more covered-pickup-like Blazer. The S-10's base sticker price ranges from $9,312 to $10,698, depending on whether it's two or four-wheel drive.

Even though minivans are getting a lot of the attention these days, Chevy says some people still go for its Blazer S-10 over a minivan because of the four-wheel drive option in addition to the Blazer's sportier styling. About 35% of Blazer drivers are women, the company maintains.

The company says it puts about 15% of its ad dollars towards outdoor, given the nature of Blazer's uses. While Blazer's S-10's appear on billboards all over the country, they are more numerous in the Northeast and Middle-American states. The line's 1984 budget totaled $8.7 million, and its 1985 budget through June was nearly $1.4 million, according to LNA, but again, actual ad figures could be higher. Television buys include NFL Football and NCAA bowl games, *Saturday Night Live* and the *Tonight Show*, network movies and *Airwolf*. Some shows are picked with their high female viewership in mind: *Miami Vice*, *Murder She Wrote* and *Remington Steele*. Print money has gone to *U.S. News and World Report*, *Time*, *People*, *Money*, *Field & Stream*, *Ms.*, *New Woman*, and *Car & Driver*.

The Bronco II from **Ford** is the second-ranking compact sport utility with 1985 sales of 104,934. That's a boost from 1984's total of 98,049 units.

According to Ford, 15% of the Bronco II's sold are for strictly commercial use. The average age of buyers is mid-30's and 70% of the drivers are male. Three-quarters of Bronco buyers are married, two-thirds have kids, 68% have a college degree and 45% live in metropolitan areas. "The baby-boom generation is moving like a big bubble through this tube," notes Beryl Stajich, compact light trucks marketing manager.

He says the brand's ad budget was doubled in 1985 over 1984: "We felt the added emphasis was required for a strong car-to-truck crossover." LNA reports a 1984 total of nearly $4.8 million, with a six-month 1985 total of $6.1 million. Tv ads were seen on shows such as *Hill Street Blues*, *Miami Vice* and network sports. Print buys include *Life*, *People*, *Ski*, *Popular Mechanics*, *Ducks Unlimited*, *Better Homes and Gardens* and *Smithsonian*.

Also spinning its wheels in this category is **American Motors Corp.**'s Jeep Cherokee, a model launched in 1983. 1985 sales of both two-wheel and four-wheel drive units totaled 98,874 units, up from 1984's 69,054 total when only the four-wheel drive was sold. Base sticker prices for the Cherokee, which comes in two or four-wheel drive, range from $9,945 to $11,714, reflecting a 2% raise in January.

Jeep has added fuel injection to the line but it's the four-door option not offered by its competitors, the company thinks, that keeps sales growing. Other marketers' plans to launch four-door models, the company says, will hurt its sales.

Ad expenditures for 1984 on the brand were $10.2 million, according to LNA. Through June of 1985, ad dollars totaled $5.2 million, most of it going towards network tv. On television, ads appear on *20/20*, *Simon & Simon*, and *Magnum, P.I.*, among others. Print ads run in titles that include *Time*, *Guns and Ammo*, *Outdoor Life* and *Off Road*.

"The baby boom generation is moving like a big bubble" through the market, says a Ford marketer.

Year-end sales for GMC's S-15 Jimmy came to 42,239 units, zooming ahead over 22% from 1984's total.

The company, according to James E. Wenzel, truck merchandising manager, has revamped its compact sport utility advertising, pushing it beyond an upscale image to "what we call 'ultimate upscale.' Our ad pictures aren't rough and tough and out in the boonies, but in front of the St. Regis and Mark Hopkins [hotels]," he says. Among the Jimmy's new slogans: "Seen in the very best of circles." An interesting footnote, Wenzel adds that "if you're a dyed-in-the-wool GMC employee, you'd wonder what's going on — you can hardly see the GMC [logo] in the ads."

The company sees a 50-50 split between men and women as principal drivers, with the purchaser age falling in the 25-49 year range, and incomes of $30,000 plus. Advertising for the first six months of 1985 was nearly $3.9 million according to LNA. Print titles included in its buy list are *Newsweek*, *Motor Trend*, *Ladies Home Journal*, *Sports Afield*, *Smithsonian*, *Golf Digest*, *Runner's World*, *Fortune* and *Forbes*. Tv buys are regional and spot, and GMC goes into seven cable networks.

GMC has one hurdle not encountered by other marketers. Aside from the 2,400 dealers who are strictly GMC, it has to fight it out for floor space and consumer attention with GM's army of dual-dealers, those that play up the Chevrolet or Pontiac names for instance.

MINIVANS

While minivans may rank fourth in terms of sales this year, they are probably top-of-mind when it comes to consumers' interest and manufacturers' expectations. And, given the fact that they hit the showrooms in January 1984, sales growth to date indicates they will probably overtake a light truck category or two before long. Through November of 1985, 414,451 minis motored out of U.S. dealerships, flooring it for a rise of 91% from 1984's 216,038 units.

The minis come, like the standard vans, in models outfitted for passenger use — with more windows and seats — and commercial use. It's a category observers predict will break the one million unit mark by the end of the decade.

Chrysler introduced the minivan and its passenger models lay claim to the two top market slots (the Mini Ram Van, a commercial-use model, had sales of 22,785). The Dodge Caravan sets the pace with year-end 1985 sales of 113,550 vans, followed by the Plymouth Voyager's sales of 106,492. Both are marketed along very similar lines.

"Caravan and Voyager are bringing people into Chrysler dealerships that have *never* been there before," exclaims Pat Keegan, general manager of truck operations. "We believed there was a big potential for these, even though there wasn't a market for them before," he says. "We did a heck of a lot of homework and all our research

said we had a homerun."

While roominess, fuel economy and, as Keegan describes it, "the aura of new" are among the reasons consumers are buying minis of all makes, Chrysler may have built some advantages into its vans that help explain their strength. Research told the company that women didn't like the big step up many "trucks" have, so Chrysler eliminated it by making its vans shorter. That also makes them easier to fit into a garage. In addition, only Caravan and Voyager have front-wheel drive — that not only means that the disappearance of that cumbersome hump in between the driver and front passenger in most vans, but also reduces their overall height.

Because they have a lot of the same appeal cars do, all minis tend to sell well across the country. The age range for Chrysler's buyers is 30-50 years, a predominance of married people with kids, and most have white-collar jobs. Chrysler's approximately 4,000 dealers put a sticker price starting at $9,971 on its minivans.

Television buys for the vans include the *Bob Hope Desert Classic* golf tournament, *Magnum P.I.*, the *Today Show*, *Murder She Wrote* and *Sunday Morning* on CBS. Print ads run in books that include *U.S. News and World Report*, *Life*, *Working Woman*, *Parents*, *Savvy* and *Cosmopolitan*. Through June, according to LNA, the ad budget for the two, split fairly evenly, totaled $10.1 million. 1984's total was $24.03 million.

Keegan's assessment of the competition: "GM and Ford have taken a different approach than we did. They have rear-wheel drive — they really came out with 'mini' vans, downsized vans. We started with a clean piece of paper," he says, and launched an entirely new product.

Chevrolet's Astro minivan and wagon ranked third with sales in the 51,000 Chevy dealerships totaling 106,157 for all of 1985. That's a whopping increase over 1984's introductory year total of 1,768 units.

With ads that feature "can-can" music booming in the background and a slogan that proclaims it "The van that Can," Chevrolet says 55% of its minis are sold for personal use. Of personal-use buyers, 35% are women. Michael H. Erdman, assistant general sales manager, says it's versatility that promotes mini sales. "That aspect will make manufacturers tremendously competitive in the future and all that will mean more options for consumers." The Astro, for instance, is the only model that offers a six-cylinder engine and seating for eight.

For the first half of 1985, Chevy backed Astro vans and wagons with $12.1 million, according to LNA. The company says that sum will increase this year; the van was introduced in February of 1985. Television buys include cable and network sports shows, and prime time shows like *Magnum P.I.* Print ads run in *Cosmopolitan*, *Sports Illustrated*, *New Woman*, *New Shelter* and *Popular Mechanics*, among other books. Outdoor ads appear mostly in California.

Chrysler: "We did a heck of a lot of homework and all our research said we had a homerun."

With its May 1985 launch, **Ford** hopes the "Age of Aerostar" has arrived. Through November of last year, the Aerostar rocketed to an impressive sales total of 22,408 units.

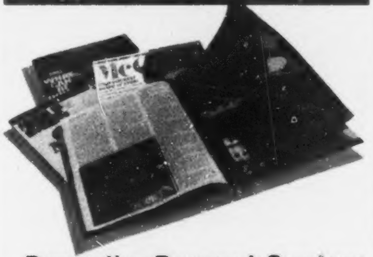
So far, Ford says it sees two-thirds of the Aerostar wagon's buyers getting it instead of a car. Median buyer age is 35 years; 90% of its consumers are married; 80% have white-collar jobs; 50% are women. While the wagons have outsold the vans about 6-to-1, average sticker price for a wagon comes in at $12,000. A van runs about $8,000.

Ford says its ad budget for the launch was akin to that for the Tempo, which ran about $26.5 million according to LNA. *60 Minutes*, *Riptide*, *Good Morning America* and the *Twilight Zone* are TV shows that have featured Aerostar ads. Magazine space was bought in *Newsweek*, *Reader's Digest*, *National Geographic*, *Parents* and *Motor Trend*. ■

(Advertisement)

The 1st in depth look at...

How Magazine Editorial Environment Influences Attention To Advertising



Perception Research Services, a leader in advertising research, has introduced OPEN EYES to uncover truths and myths related to:

- Ad placement in magazines
- Added value of spreads
- High and low interest categories by book
- Influence of facing pages
- Impact of related editorial
- Unique executions

Forty OPEN EYES studies in 1985 represent an in-depth look at 20 magazines. OPEN EYES will report data on over 4000 print advertisements: which ads are seen, which are overlooked and if the advertiser's name is seen.

Call for a presentation. Join the list of advertisers using OPEN EYES. They accounted for more than $500,000,000 in print expenditures in 1984.

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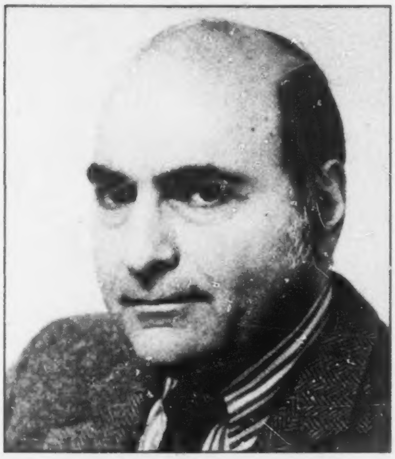
AS THEY SEE IT

MEDIOLOGY

by Ed Papazian



WHAT'S THE GOOD OF BAD-MOUTHING TV?

As one surveys recent events and revenue trends in the advertising field, it becomes apparent that radio and print media have lost their battle to woo tv advertisers from their infatuation with the tube. Such efforts have at best been half-hearted, but even so, they have been terribly misguided.

As near as I can determine, the last attempt made by radio to explore how its commercials communicate in comparison to television messages took place in the early 1970's. Since then we've heard little except rhetoric, numbers/CPM-crunching, and so forth. As for magazines, there has been a lot of noise — mostly carping against television — plus a number of studies telling advertisers what they already know: a) that tv ratings are fragmenting, b) that people with cable (and remote control devices) dial switch because they have more channels to choose from, c) that many viewers are inattentive (or absent) during tv commercials, and d) that magazines offer benefits like better demographics, repeat page exposures, etc. Great going guys, but so what?

Some of this data churning really amazes me. For example we are expected to believe that tv is losing its impact because the major networks are reaching smaller average commercial (minute) audiences than five years ago thanks to inroads by cable and independent channels.

Well, what about it? It's true that the average prime time telecast reached 10% fewer viewers in November 1985 than in 1980. Does this mean that a typical tv advertiser using 20 to 40 announcements, not just one, is deficient in total reach? Perhaps. But my guess would be that his reach loss is minimal, his frequency decline being considerably greater.

But lets return to the issue of fragmenting ratings. Don't look now, but radio ratings are fragmenting even more as so many genres and sub-formats split the listening pie finer and finer. And magazines! Remember the old giants — *Life*, *Look*, *The Saturday Evening Post*, *TV Guide* and *Reader's Digest*? Those books generated average issue coverage levels higher than all but a few prime time tv shows. For those who have forgotten, consider average issue adult readership levels from 1965 versus 1985 per SMRB. (See chart below.)

Obviously magazine readership levels, at least among the mass books, have fragmented considerably since the 1960's. But again I ask, so what? Indeed, if anyone on the advertiser side cared that much about average rating levels, why are they buying cable, with its miniscule ratings, or barter syndication, which is more efficient than conventional nighttime network tv but attains much smaller average commercial audiences?

The truth of it is that tv advertisers make many of their public pronouncements to intimidate the major networks, hoping to hold their rates in line. Much of the talk about VCR's, zapping, rating attrition, eroding demographics, etc., is intended to serve this purpose. While there is legitimate concern about these issues, advertisers have ample resources to monitor developments (mostly from existing tv rating systems); now they are about to get PeopleMeter data to add more statistics to their data stew.

Most magazine people talk to media executives at the agencies and adver-

PERCENT OF ADULTS REACHED PER ISSUE

	1965		1985	
	Men	Women	Men	Women
Reader's Digest	31%	31%	21%	25%
Life[1]	28%	25%	6%	6%
Look	25%	24%	—	—
Saturday Evening Post	20%	16%	—	—
TV Guide	18%	21%	21%	25%
McCall's	5%	23%	3%	18%
Good Housekeeping	4%	19%	3%	10%

[1]: *Life* reappeared in the late 1970's as a selective monthly.

Source: Simmons Market Research Bureau tiser ad directors, who try to be polite and offer gentle encouragement when they hold gatherings and do new studies. This is the easy way to get by, endure pleasant lunches and social gatherings, and say things that make space sellers happy. But it's not what's really happening when agencies and clients get together to decide their media strategies. In my capacity as a consultant, and recently as a judge in several media award sessions, I've reviewed over 65 media plans within the past two years — almost all from top flight, sophisticated agencies. Not one incorporated a general discussion of tv versus print or radio; not one discussed the serious possibility of directing tv money to other media for any reason but lack of sufficient funds; indeed, not one included a realistic discussion of alternative media plans (to the one presented). Instead, while many of these plans had interesting ideas, clever scheduling tactics, demographic and psychographic twists and, in several cases, innovative uses of media contexts (including radio and print), the actual amounts devoted to each medium seemed largely preordained.

No matter what anyone says, the typical video advertiser believes that tv has more impact and that its commercials motivate consumers — more so than radio messages or print ads. Moreover, even when the advertiser has a more balanced view and seeks insights about other media, he is deluged with audience statistics, but little, if anything, that guides him in the creative area — how to make better radio commercials or magazine ads.

As I said, the last study on radio commercials versus tv messages was conducted in the early 1970's, and the data was presented in simplistic average-recall terms, designed to make radio CPM's look good compared to their tv counterparts. As for magazines, we all remember *Look*'s tv-versus-print recall studies in the early 1960's and *Life*'s efforts later in that decade. New technologies have been developed since then, focusing on motivation, not just memorability. These are used occasionally in print copy-testing designs for individual clients, but little of the data leak out. It's certainly not evaluated in a media mix context.

So I'll say it once again. Until radio and magazines are willing to tackle the real issue — by showing marketers how ads work in their medium, developing guidelines, areas of speculation, ways of judging creative input, and exploiting intermedia synergy — the battle will remain lost. Instead of badmouthing tv, why not good-mouth yourselves? But please back it up with some relevant research, not puffery or redundant data. ■

MAGAZINES

by Gerry Eilers

Director of marketing services
Isidore & Paulson, Inc.

LARRY BARNS

SPECIALTY MAGAZINES PUT MORE STOCK IN TRADE

In recent times, a number of specialty publications have made an increasing effort to broaden their appeal as vehicles for advertising beyond the neat little niches they carved for themselves when they joyously announced their births.

In order for these specialty books to build business beyond the categories compatible with their editorial specializations, they must come to terms with how we perceive them. And that is easier said than done. For in many cases they have to deal not just with the impressions we've gained from their ads and presentations throughout the years, but with our very reluctance to "learn" anything new about them in the first place. This is not just laziness here — we've all heard too many reps cry wolf too many times before.

To fight preconceived notions and

Reach the other half of the Seattle-Tacoma Market

SEATTLE
TACOMA

The Tacoma News Tribune delivers it for you

Drive 35 miles south of Seattle and you'll reach Tacoma/Pierce County, the second-largest metropolitan area in Washington State and home to 381,800 adults.

This important part of the Seattle-Tacoma CMSA also includes a bonus military market of 32,000.

Add The Tacoma News Tribune to your advertising schedule and you'll reach 214,600 adults daily and nearly 300,000 in a five-day period — a market largely unreached by Seattle newspapers.

For more information, contact Doug Harris at 206-597-8757 or talk to your Sawyer-Ferguson-Walker representative.

News Tribune

P.O. BOX 11000,
TACOMA, WASHINGTON 98411

A FEW BRIEF LESSONS ON HOW TO TREAT A PERSON WITH A DISABILITY.

1. Like a person.
2. Like a person.
3. Like a person.
4. Like a person.
5. Like a person.
6. Like a person.
7. Like a person.
8. Like a person.
9. Like a person.

UNITED CEREBRAL PALSY ASSOCIATIONS

recommend alternatives to network will take courage, and it may even cause the agency more work. On the other hand, how much longer are clients going to put up with rate hikes that are better than twice the rate of inflation — especially after they read this column?

When should you start investigating alternatives to network? All things considered, I'd say the time to begin is now. ■

NEWSPAPERS

By Stephen Jacoby

Vice president,
associate media director
Ammirati & Puris Inc.

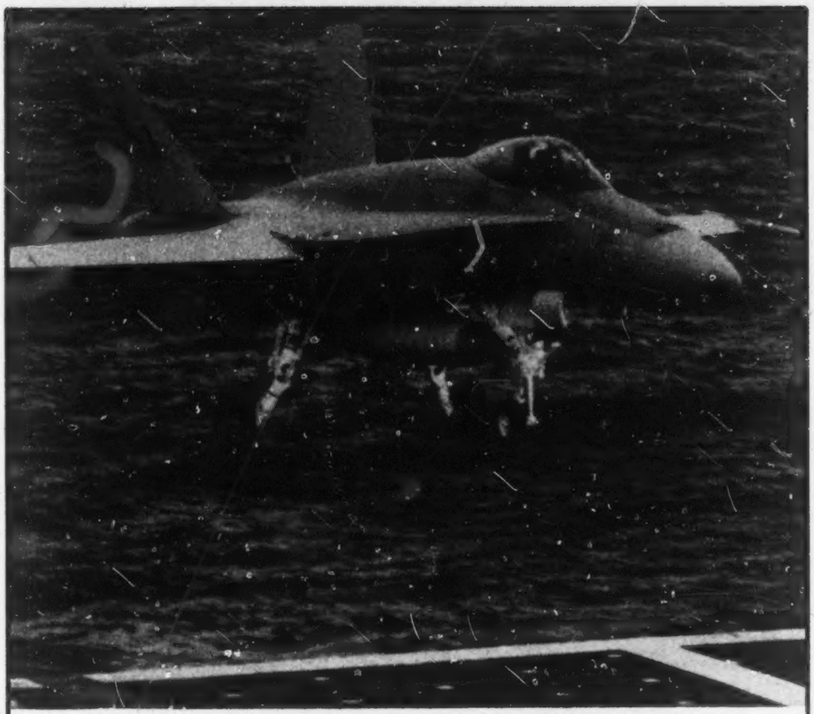
MICHAEL MELLA

HOW TO GET SOMETHING EXTRA

The oldest advertising medium in the United States, the newspaper, has great potential for being one of today's smartest marketing tools with the increasing addition of supplements and regular specialized editorial sections. There is a winning combination of media elements that make a campaign successful and newspapers should be used tactically to accomplish that end. However, three elements need to coexist:

- A clear positioning by the industry of what the medium can offer.
- Improved salesmanship.
- A uniform and inviting way to use newspaper advertising.

Few papers or newspaper groups have done this effectively and, with the newspaper dollar share of national ad-



Of the dozens of publications going to the $305 billion aerospace/defense industry, only one...

Aerospace America

PRIME BUYERS
CERTIFIED
100% ENGINEERS

Requires Their Subscribers to be Engineers.

(Only engineers can select the highly technical products bought by the aerospace industry. Their responsibility is so great research shows the average aerospace engineer is paid over $53,352 per year to do his job.)

Need marketing information? Call:

NEW YORK, Joe Brown at (212) 408-9718
ATLANTA, Roger Kelton at (404) 252-6510
CHICAGO, Jeanne McConnell at (312) 346-3074
LOS ANGELES, Norm Hill at (213) 429-0127
LONDON, Leigh Gould at 01-703-6207
PARIS, Bob Broekman 46-09-9595
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THE AEROSPACE ENGINEER'S MAGAZINE
Aerospace America

More aerospace engineers than any other publication at half the cost.

vertising around 6%, there is certainly room for growth. The industry needs to get out among the media community and sell itself. Take, for example, this readership information:

1. On any given weekend, 65% of total U.S. adults can be reached by newspapers, including, 64% of those between the ages of 18-49.

2. 14% are college graduates (81% against total college graduate population).

3. 24% have household incomes of $35,000 or over (80% against total U.S. households earning $35,000 or over).

4. 13% are professional/managerial (80% against total P/M's).

However, while newspapers can offer advertisers great penetration numbers on a national basis, the real excitement of the medium lies in how to use it tactically. Specialized editorial sections and newspaper supplements which are organized, sold, and executed on a quality basis will not only make for a more effective use of newspapers as an advertising medium, but will make them a more attractive source of news/entertainment for the public, thereby increasing reader loyalty. This editorial segmentation is one of the reasons *USA Today* has enjoyed its tremendous success.

With today's public being hit at every turn with advertising messages, it is media's responsibility to see that their clients' messages are seen not only by the right people, but in an environment where they will have the most meaning. Specialized editorial supplements can offer this. On a broad basis the following illustrates this:

ADVERTISING FOR PRODUCTS OF INTEREST TO BOTH MEN AND WOMEN

	NOTED	
TYPE OF PAGE	MEN	WOMEN
Sports	114	49
Food, Home	63	101
General News	100	101

Note: Starch "noted" score for average ad = 100
Source: MMN Starch

Synergy is key between the message and its environment. As an example, *The New York Times* has done a great service to its readers and advertisers by producing over ten supplements a year with specialized editorial coverage ranging from fashion to home entertaining to travel, business, and personal finance.

While certainly the primary purpose of the newspaper will be to cover the news and cover it in depth, its greatest opportunity for growth in capturing national advertising dollars and enhancing reader interest/loyalty will be in the area of specialized supplements/sections. Synergy between editorial and the advertising message will benefit all. It's up to the industry to aggressively pursue it to its potential. ■

MARKETING

by Donna Campanella

Vice president, media director
Cato Johnson/Y&R

THE SHORTSIGHTED SHORTCUT

The path of least resistance. It's a route being increasingly traveled by many media sales reps who are convinced that the fastest way to be included in a media plan is to sell the client first. That way, so the logic goes, they can be presold with the agency media departments they have not yet seen or to whom they have made an unsuccessful first attempt.

We've all been through it. How many times have you gotten a call from a media sales rep who introduces himself by telling you how he just left your client's office and how the client loves his particular medium? He then proceeds to inform you that the client gave his presentation a standing ovation and that you must see him immediately! Contrary to many a sales rep's beliefs, this is a sure way to *not* get an appointment. In fact, I would bet my Christmas bonus that this introduction was not one of the recommended opening lines in the famous book, "How to Win Friends and Influence People"!

Sales reps who operate in this manner are not met with respect and enthusiasm from agency media planners and buyers. No one likes to be a victim of "backdooring" — that is, preselling the client so that you may have no choice but to tag along. As a result, many planners avoid this sales rep. They make an appointment far into the future, possibly cancel it at the last minute, or not schedule one at all, feigning an overloaded work schedule.

This shortcut, therefore, can be a shortsighted way to get a piece of the action.

One of the primary responsibilities of an agency when it develops a working relationship with a client is to become a total marketing partner and collaborate on overall business. From this responsibility comes the job of developing and executing media and creative plans which support the client's marketing objectives and strategies.

Why then don't sales reps let the agency do the initial legwork regarding appointments with reps, analyzing different media and negotiating for rates, positions and merchandising?

Media planners and buyers at agencies are well trained in the fine art of media analysis and negotiation. They are the experts who decipher a media kit, "drill" the sales rep, propose ideas, ask for suggestions and negotiate for a better deal. They're the ones who understand the target audience definition and who have worked with the creatives in pinpointing synergistic media vehicles and cost effective creative executions.

These are key ingredients that are essential in determining the appropriateness and productivity of specific media. Not being mindful of these factors may cloud the client's evaluation of a particular vehicle or medium. Thus, excluding agency planners and buyers in the media decision-making process, or going to them as an afterthought or

POINT/COUNTERPOINT/

WHITHER THE ECONOMY IN 1986?

D&B's DUNCAN: FULL SPEED AHEAD

1986 will be a year of moderate economic growth, and the danger of a recession is remote.

Concerns regarding the federal deficit, the single biggest threat to continued economic growth, have been eased somewhat by the passing of the Gramm-Rudman bill. The initial test of Gramm-Rudman will come March 1, when the President orders the first deficit-reduction steps required under the bill. A lack of resolve at this juncture could significantly undermine confidence in the new legislation. Moreover, there will undoubtedly be problems in getting specific deficit reduction measures through Congress this year. Nevertheless, the overwhelming vote in favor of deficit reduction reflects the political pressures on Congress to do something constructive.

Several key factors will support continued economic expansion in 1986. First, consumer, government and business spending will remain relatively strong. While it is true that consumer income is currently growing at a more modest pace than it was a year ago, there is no evidence to suggest that consumers are saving more and spending less. Moreover, though levels of consumer debt have indeed increased during this economic expansion, there has been no dramatic shift in the household debt-to-asset ratio. In fact, lengthened debt maturities for loans on big ticket items, such as automobiles, have actually helped to reduce consumers' monthly installment payments. Recent declines in deliquency rates provide further evidence that the consumer is not overly strapped. Current surveys of consumer sentiment indicate that levels of optimism remain relatively high.

Government spending also will remain relatively strong as a result of contracts approved prior to the start of sincere efforts to bring spending under control.

In the business sector, increased competition and generally softer markets in 1986 will prompt managers to focus on reducing costs and increasing productivity, thus spurring continued capital investment in new plants and equipment.

The gross national product figures in 1986 also will get a boost from a continued weakening of the U.S. dollar, which will help to reduce the U.S. trade deficit.

Tax reform, though it will be a major topic of debate in 1986, will not have a direct impact until 1987.

Dramatic swings in interest rates and unemployment in 1986 are unlikely. Interest rates will probably drift upward slightly this year, regardless of the efforts to control the deficit. But the slightly higher rates should not severely affect the housing sector.

Unemployment will remain in the 7% range as a result of increases in the size of the labor force and a slowdown in new business start-ups, which have provided the bulk of new jobs since the end of the recession.

Joseph W. Duncan, director of statistical policy for the Office of Management and Budget from 1974 to 1981, is corporate economist and chief statistician with The Dun & Bradstreet Corporation.

Our readers tell us . . .

Research USA, Chicago, collected opinions from 121 randomly-selected readers (from a 300-name mailing) on the economy and its effects on media budgets and plans.

1. How do you think the economy will change in the next six months?

Greatly improve	1.7%
Somewhat improve	41.3%
Stay the same	38.8%
Somewhat weaken	17.4%
Greatly weaken	0.8%

2. What do you think will happen to the following in the first half of 1986:

A. Interest rates	
Will rise	16.5%
Will stay the same	36.4%
Will fall	47.1%
B. Consumer spending	
Will rise	32.2%
Will stay the same	43.8%
Will fall	24.0%
C. Inflation	
Will rise	23.1%
Will stay the same	71.1%
Will fall	5.8%

3. Has your organization revised its advertising budgets for the first half of 1986 because of economic uncertainty?

Yes	34.7%
No	65.3%

If yes, (base-42)

A. How much have your ad budgets changed overall for the first half of 1986?

Up 1% to 9%	30.9%
Up 10% to 19%	14.3%
Up 20%+	11.9%
Down 1% to 9%	16.7%
Down 10% to 19%	11.9%
Down 20%+	14.3%

FORECASTER LEVY: BATTEN DOWN HATCHES

This year, the United States will experience a severe recession.

The expansion is crumbling under the weight of overbuilt business capacity and excessive debt. These imbalances have taken years to develop and will take years to resolve. They create recessionary pressure by discouraging construction and equipment production, limiting consumer spending, and causing curtailments of government spending. The debt and capacity excesses also increase the likelihood that a contraction will severely damage the economy.

Largely due to debt, consumer spending is poised to grow little if at all in the first half of 1986. The personal savings rate plunged from 6.7% to an amazing 3.7% during the year ending in the third quarter of 1985. This unsustainable consumer spree gave an enormous boost to the economy, preventing a recession — just barely. But by mid-1986, and probably much sooner, the saving rate will rebound as consumers service their new debt. As the recession worsens, spending will fall.

America's nonresidential building boom is dying, and the commercial construction outlook is dreadful. If no new office buildings were started, America would have plenty of space through at least 1995. Similarly, too much retail space exists in many areas, and the excess of hotel rooms rivals the office glut.

Other categories of capital investment, the major engine of prosperity in a healthy economy, are also in trouble. American industry is currently operating at only 80% of capacity, typically a mid-recession level. Orders for new equipment have been flat for almost two years. Business already plans to reduce investment in plant and equipment in 1986, an extraordinary occurrence before a recession has even begun.

Residential construction will be flat, at best, in 1986. Demographic trends are rapidly shrinking America's need for new housing, and the pent-up demand from the early 1980's is almost gone. Meanwhile, mortgage lenders have tightened their screening procedures, eliminating many applicants.

The federal deficit, unquestionably a serious problem, is nevertheless a huge crutch without which the economy in its present condition would collapse. Spending cuts taking effect in 1986 will hack away at the fiscal stimulus, contributing to the downturn. Later, however, the recession will swell the deficit to $300 billion.

The trade deficit will remain an enormous drain on our economy in 1986. Despite the sharp 1985 decline in the foreign exchange value of the dollar, our currency is too strong for domestic producers to compete successfully in international markets. The deficit will shrink little if at all in the first half of 1986; the recession will choke off demand for imports in the second half.

Businesses and individuals should be wary.

David A. Levy is senior economist and partner of Levy Economic Forecasts, an economic forecasting and consulting firm in Chappaqua, New York.

B. What changes were made for each of the media (bases in parentheses):

Consumer magazines (33)

Increased 30.3% No change 42.4%
Decreased 27.3%

Business/trade publications (37)

Increased 24.3% No change 54.1%
Decreased 21.6%

Newspapers (32)

Increased 28.1% No change 62.5%
Decreased 9.4%

Television (38)

Increased 31.6% No change 42.1%
Decreased 26.3%

Cable (21)

Increased 14.3% No change 80.9%
Decreased 4.8%

Radio (29)

Increased 27.6% No change 65.5%
Decreased 6.9%

Outdoor (23)

Increased 13.0% No change 74.0%
Decreased 13.0%

Sales Promotion (33)

Increased 42.4% No change 39.4%
Decreased 18.2%

Direct Marketing (31)

Increased 51.6% No change 41.9%
Decreased 6.5%

4. Have there been cutbacks in your organization over the past few months?

Yes	**40.5%**
No	**59.5%**

If yes, in which of the following areas were the cutbacks made (base-49):

Budget cuts	**65.3%**
Top management cuts	**20.4%**
Mid-management cuts	**40.8%**
Staff cuts	**71.4%**

ECONOMIC EYE

by Kevin Baker

STREET TALK

On the television marketplace: *Alan Gottesman, senior vice-president, L.F. Rothschild Unterberg Towbin:*

Gottesman sticks to the bleak predictions for the current television season that he made last year: "If it's going to take off, I don't know what the button is going to be."

Gottesman sees the big problem for tv being the lack of big new product categories, complicated by a sluggish economy and 15-second commercials.

"I still don't see revenues going much above 3%, maybe 5%. And ad rates will probably increase less than the 7%-9% I said last fall. I didn't figure on the 15-second spots. Over the long term, they'll be easier to sell (than 30- or 60-second spots), but over the short term, they'll shake the tree. What you have is demand for ad tonnage up moderately, while the supply is greatly increased."

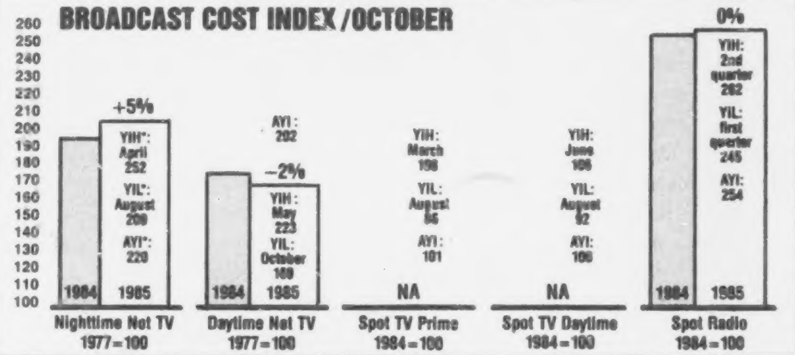
Gottesman predicts that the overall calendar year of 1986 will be better than 1985, though only because "I just have never seen two bad years in a row in this business." Still, even a good last quarter — which is when next season will premier — won't be enough to offset what Gottesman terms "three quarters of the biahs."

INDEX NOTE

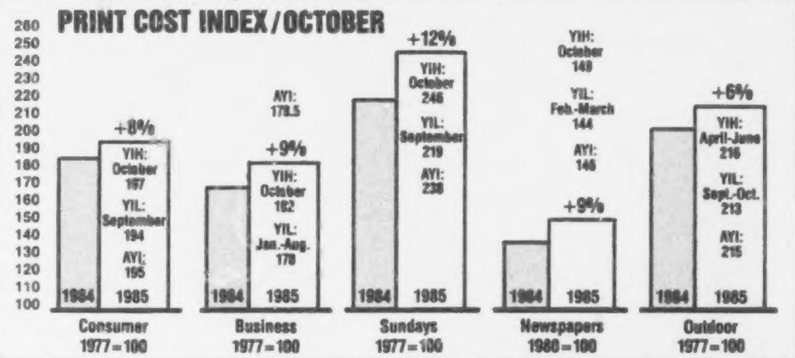
In regard to the media not depicted in the charts for October: **Spot tv** rates are compiled on a quarterly basis; new figures for October, November and December should be available for the April issue. The same is true for **spot radio** — figures for September, October and November appear next month. **Network radio** rates are compiled on a new basis for 1985, including 15 networks. With January indexed at 100, October was 130.

MAGAZINE AD SCOREBOARD	Ad Pages December	% change from Dec. 1984	Dollars spent (000)	% change from Dec. 1984
1. Skin care, Creams, Lotions and Oils	79.75	+11.57%	$ 3,397.5	+52.36%
2. Lip and Eye Beauty Products	51.28	−3.56	1,630.0	−2.17
3. Scents and Fragrances	374.51	+5.48	10,104.7	+18.66
4. Facial Makeup Products	38.81	+18.32	1,333.3	+51.04
5. Liquor	865.46	−10.37	32,470.1	−3.22
6. Passenger Cars, Domestic	540.16	−2.22	27,978.5	+28.26
7. Passenger Cars, Imported	407.14	−8.40	17,393.8	−2.75
8. Cigarettes	811.81	−14.38	46,175.9	+4.40
9. Prepared Dinners and Entrees (including Pizza)	25.53	−12.96	1,398.4	+9.02
10. Soaps and Detergents	44.00	+54.28	3,057.5	+78.88

Source: Publishers Information Bureau as prepared by Leading National Advertisers



BROADCAST COST INDEX /OCTOBER



PRINT COST INDEX /OCTOBER

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year. Percent change shows rate of change from the same month in previous year.

*YIH=Yearly index high *YIL=Yearly index low *AYI=Average 1985 index

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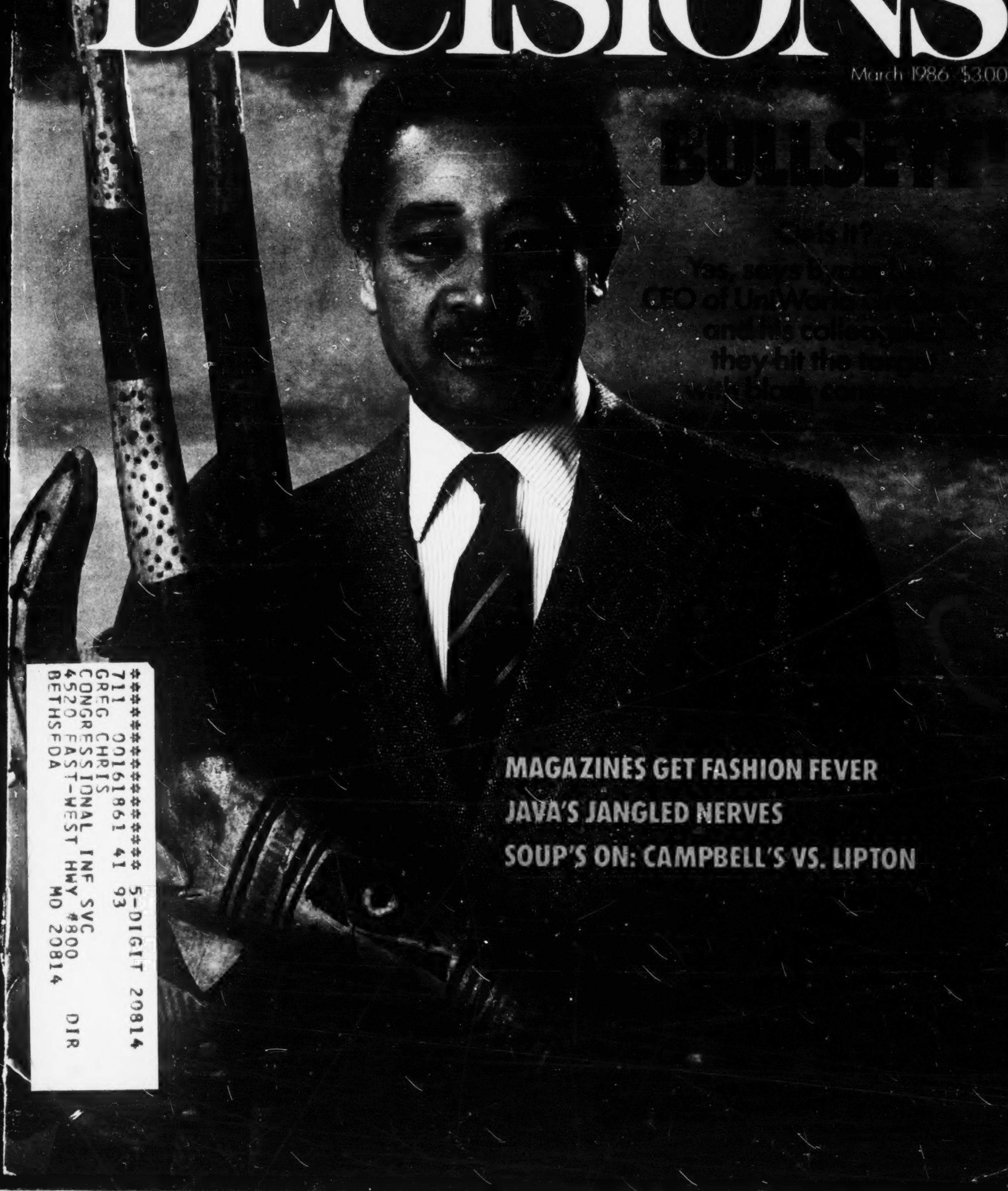
MARKETING & MEDIA DECISIONS

March 1986 $3.00



BULLSEYE!

Is it?
Yes, says Byron [illegible]
CEO of UniWorld [illegible]
and his colleag[illegible]
they hit the targ[illegible]
with black co[illegible]

MAGAZINES GET FASHION FEVER

JAVA'S JANGLED NERVES

SOUP'S ON: CAMPBELL'S VS. LIPTON

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GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

COVER STORY

SHADES OF GREY 30

Increasingly, major marketers are turning to specialist agencies to help them communicate better with the growing black population. But some still question this form of target marketing.

MEDIA WITH A MISSION 44

An overview of what's available in major, regularly-scheduled national black media. The view from the sell side is presented by this group's principals.

FEATURES

KICKING AROUND 52

True, the annual convention for tv programing execs produced few signed, sealed and delivered deals from advertisers. But don't think that barter's boom is over.

FROM SOUP TO SOUP 60

Soup's on: After years of simmering along, sales are really bubbling as new products make a splash.

THE UK DISCOVERS FINANCIAL PR 66

Once, UK corporations considered financial public relations a curious Americanism. Now more UK companies have to explain themselves to investors. The result: a booming market for PR firms, ad agencies and newspapers.

FASHION FEVER 70

Fashion books have veered widely from their original format. Now when it comes to choosing between books, the choice may be so confusing it leaves media buyers feeling they "don't have a thing to wear."

SOFT DRINKS
COFFEE

BRAND REPORT 131: COFFEE 95

Though America's health craze, the nemesis of many product categories, is draining the energy from coffee sales overall, there is still some marketing elbow-room in a couple of segments.

EDITORIAL INDEX — 1985 107

Marketing & Media Decisions Index — features, columns and departments.

DEPARTMENTS

PRO FILES 4

Recent acquisitions have made Gerard P. Joyce's Patrick Media Group Inc. the nation's biggest outdoor ad company. And Leslie Whitney takes up residence as the new associate media director at the burgeoning Fallon McElligott Rice, Minneapolis.

UPDATE 6

The outlook is still cloudy at the science books . . . It's ads for Avon's catalogues . . . "Made in the U.S.A." starts phase two.

DEBUT 10

A new vehicle for kid-pitching: *Toys 'R' Us* magazine. And, for those who can walk and read at the same time: *The Walking Magazine*.

PRINT BEAT 17

Major mass magazine vehicles bet on a purchasing power study to make a case for dual-audience marketing.

DIRECT MARKETING 20

Direct mail paves the way to success for a road-surface marketer. It's also a way to build business in the corporate-gift niche. And if all else fails, say it with holograms.

FREEZE FRAME 22

Now, remote-control junkies can operate four different remotes with GE's Control Central. Also: Some research studies are worth their weight in gold. Others, however, are worthless.

March 1986, Vol. 21, No.3

Cover photograph by Steven Begleiter

CREATIVE CONCEPTS 26

Madison Avenue's Moscow-mocking ads make some people laugh . . . and other people nervous.

BROADCAST BEAT 123

Coca-Cola Co. is on a buying spree and the target is television syndication companies.

POINT/COUNTERPOINT/POLL 126

David Martin of Stroh's and Gordon Link of McCann-Erickson face off over the widsom of in-house media buying.

ON THE DOCKET 128

In ten years, the ranks of healthcare companies servicing federal workers grew from 46 to 340. Ann Lallande tells how they've had to swallow some rather bitter marketing pills.

SALES PROMOTION 130

Couponers are learning the targeting game as both commissionable and promotional media learn to hit marketers' targets.

TOOLS OF THE TRADE 132

As single source data is closer to becoming a reality, some worry that we are opening a Pandora's Box.

ECONOMIC EYE 134

Magazine ad sales should increase in 1986, rising on a flood of new soft drinks and an updraft from the airlines.

THE LAST WORD 136

Advertising and gender response: According to Northwestern University professor Brian Sternthal, research uncovers some new gender-benders.

AS THEY SEE IT

MEDIOLOGY *Graham Kirk* 85

Franchisees play an important part in a company's advertising efforts.

MAGAZINES *Mary Ann Cunningham* 86

A ban on tobacco ads would probably choke the life out of a number of publications.

NEWSPAPERS *Frank Hajek* 90

The Witchita *Eagle-Beacon* dropped its rate differential, but it's a drop in the bucket until more papers follow.

RESEARCH *Meryl Hammond* 93

To get the most for your research money, you have to start with the basics.

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VOGUE
HARPER'S BAZAR

FASHION FEVER

Fashion flagships eyeing general business, and lifestyle books eyeing fashion, are crowding. What's a buyer to do?

by Fred Pfaff

Like a woman debating whether to buy a bold red dress or that understated little black number, a women's fashion advertiser looking for the right magazine to catch customers may end up in a real shopper's quandary.

The reason: The women's fashion field has gotten as crowded as Bloomingadale's at Christmas. Newsstands are packed with magazines that made their markets with a devotion to fashion and beauty. Nestled alongside sit handsome lifestyle vehicles with expanded fashion features that now draw sizable cuttings of store and manufacturer advertising. Also trying to slip in are new fashion magazines.

The rub is, it's getting tougher to tell them apart. As these targeted, upscale "women's" books change to keep pace with the expanding interests of today's woman, the lines that separate them are blurring. Almost all these magazines now pursue "lifestyle" themes. Articles on diet, money, career, health, sex, travel, autos, entertaining and entertainment — you name it — are squeezed in between fashion layouts. Or sometimes, it's vice versa. Their lifestyle pitch is evident in everything from cover blurbs to advertising trade campaign captions. The trend is as clear in the doyennes of the fashion field — *Vogue*, *Harper's Bazaar* — as it is in their younger counterparts — *Glamour*, *Mademoiselle*, new competitor *ELLE* as well as the teen-oriented *Seventeen*. The movement can also be seen in the gaggle of diverse, yet upscale lifestyle/service books looking for a piece of the fashion and accessories action, including *Vanity Fair*, *Connoisseur*, *Self*, *Town & Country*, *W* and *New York*, to name a few.

So how does an advertiser or agency make buying decisions among this group? What are the differences within this widening circle of possible buys?

VOGUE
attract
THE BEST
NEW SPRING LOOKS
BEAUTIFUL SKIN
help stamp out cellulite!
6 SLEEK-DOWN STRATEGIES
spring fashion special
PRETTY-UP WITH MAKEUP
a how-to guide to the bright new face
30 MINUTES TO THIN
BAZAAR
STYLE THAT WORKS!
Looking great on the job
MONEYSAVING FASHION PLEASURES
easy-to-wear looks for work, play, love
special section
MOVING ON & UP!
super jobs, men, status
SIGOURNEY WEAVER
OSCAR NIGHT
TRENDY
MICKEY ROURKE

The return of a strong interest in fashion can only help these magazines' cause.

Are there even enough dollars out there to support the fashion portfolios of all these publications?

While the answers to these questions are varied, the common cry among buyers is that it is becoming a veritable nightmare to sort them all out. "It can be, it really can be," sighs Roberta Garfinkle, vice president and director of print media at McCann-Erickson Worldwide, print agency for Cosmair, Inc., a major cosmetics marketer. Planners face an array of magazines that have little duplication, look very much alike demographically and are positioned largely on often hard-to-discern differences in editorial flavor. "The fashion-beauty books are very close together; the differences are very subjective, very subtle," says Garfinkle.

As the flagships *Vogue* and *Harper's Bazaar* grow fatter, and more magazines feature the same ads for the same products, "the clutter is getting hard to cut through," says John Amodeo, director of marketing and advertising for Gitano, which markets affordable copies of high-priced fashions. Buying is getting to be "a very careful and extensive process," adds McCann-Erickson's Barry Marek, until recently media planner for Cosmair's Lancôme line.

Many planners seem to be coping by adding lifestyle books to their lists to make sure their messages stand out. Consider this: Last year, fashion was the number-two ad category in *Self*, a book whose avowed focus is on fitness. And that *Cosmo* girl is batting her eyelashes at fashion advertisers. *Cosmopolitan* snagged 238.45 fashion ad pages last year and publisher Claeys Bahrenburg now has targeted 250 fashion ad pages for 1986. It seems that nearly everyone is making a pitch for the fashion and beauty business. Notes Frederick Jackson, publisher of *Town & Country*, "Even magazines like *Architectural Digest* and *House & Garden* are getting in on the fashion action."

Ironically, the grand old leaders of the fashion field invited the widening competition by broadening their focus a few years ago to pitch the professional woman. For much of their histories, *Harper's Bazaar* (born 1867) and *Vogue* (born 1892) had the fashion field pretty well sewn up. Then came women's liberation. Not only did the movement extol women to make the most of their abilities, it identified sexism nearly everywhere — including in beauty and fashion. "Career women didn't have time to read about a hem line, and they no longer wanted to read about themselves as unequal to men," explains Robert Raymond, executive director of the Council of Fashion Designers of America.

Between 1968-1972, *Harper's Bazaar* lost 650 ad pages and $4.5 million in revenues. *Vogue* lost 700 ad pages and $3.5 million in revenues.

The two leaders took the hint and changed their styles. "They had to respond to their audiences, to an anti-fashion movement," says Marybeth Russell, publisher of *ELLE*, who was then an account executive at *Women's*

TOWN & COUNTRY
SELF
10 MINUTES TO HIGH BODY ENERGY
FITNESS SPEED-UPS How to save time, money, frustration
Is your personality dangerous to your health?
LOVE & MARRIAGE Making it better at any age and stage
THE BEST T EXAM
LIFE AMONG THE GERMAN GENTRY
NEWEST ACCESSORIES
BEST SEATS AT THE BEST RESTAURANTS
GREAT DESSERTS
W
PARIS: SIMPLE SIMPLE
COSMOPOLITAN
35-plus and Aching for Sex
What's a Good Right-minded, Single Girl to Do
How Working Couples Deal With
The Triumphant Second Act of Mary Tyler Moore's Real Life, More Gut-Wrenching Than Any Role She's Played
Shine!
COOL CLOTHES FROM A HOT TOWN (Miami)
FROM PERFECT DRESSES
17 BEAUTY BLUNDERS TO AVOID
VOGUE
VANITY FAIR

Different segments of the fashion market are reached by an expanding list of titles.

Wear Daily. "They broadened their editorial either in the direction of lifestyle or service, and succeeded in attracting a wider variety of advertisers."

Long viewed as the fashion authority — with more fashion ad pages and retail clout than any other women's magazine — *Vogue* is vigorously promoting its other virtues. Ad director David Rubin attests that "*Vogue* is still first and foremost a fashion magazine" — 41% fashion, 11.5% beauty, according to *Hall's Magazine Report*. But more than ever, the sales cry of "if it's in vogue, it's in *Vogue*" serves a mandate for lifestyle.

Editor-in-chief Grace Mirabella has built *Vogue* up to a solid 1.2 million circulation largely by giving the working reader a "support system" — articles on health and fitness, books, entertainment, personal finance and travel — and models she can identify with. "Models are shown doing something athletic or career-oriented," says June Leaman, senior vice president for creative marketing at Estee Lauder, Inc. "They're more total people than mere fashion plates."

Pressure to prove *Vogue* right for a range of women's products is intense. Call *Vogue* a "fashion magazine" and publisher Richard F. Shortway steams: "We're much more! We're a lifestyle magazine for upscale women" — one that claims more $40,000+ households than *Harper's Bazaar, Town & Country* and *The New Yorker*.

Little has been the same at *Harper's Bazaar* since the Hearst fashion book lured editor Anthony T. Mazzola away from its upscale cousin, *Town & Country*, in 1972. On the cover, bigger than lifesized faces of models with bold story captions have replaced original artwork from such masters as Erte. Inside, Mazzola emphasizes the link between health and fashion, and how the two can affect readers' business and personal lives. (Nevertheless, *Bazaar* adheres to a 51% fashion editorial focus.) "We're far less trendy than *Vogue*," points out publisher Martin Schrader. "We're not out there on the cutting edge of super-high fashion. We're in closer to what women can believe in or aspire to." Behind a "Style that works" cover line this month, *Bazaar* explores procrastination, stout beers and British rock-opera.

Unquestionably, wider editorial coverage has upped the page counts at *Bazaar* and *Vogue*. While fashion and beauty remain the top ad categories for the traditional fashion magazines, advertising is now sought from cars, finance, electronics, food and more. Indeed, it is the success *Vogue* and *Bazaar* have had in adding new categories, while keeping their beauty and fashion backbone, that now stirs others to enter the game, too.

Last year, in a tough magazine selling environment, *Bazaar* dropped only

Lifestyle pitch is evident . . . from cover blurbs to campaign captions.

4% in pages to 1,749.91, according to Publisher's Information Bureau, while *Vogue* lost 6.4% in pages to weigh in at a still-whopping 3,245.53.

"But that's clutter," responds June Leaman, senior vice president for creative marketing at Estee Lauder, Inc., who gives a glimpse at how such strength can backfire. "What's advertising, and what's editorial? It's asking a lot of the reader to go through that many ads. Some of the fashion magazines now look like huge catalogs." Other fashion advertisers such as Calvin Klein, are also getting worried that their messages are getting muddled. But "to a beauty advertiser, [clutter] is a plus," explains McCann-Erickson's Roberta Garfinkle. "We have to be where our competition is."

Still, the unease of some advertisers is giving lots of publishers an opening. A full 25% of 1985's weekly pages of *The New York Times Magazine*, including their fashion specials, came from fashion-beauty. And *Town & Country*, the elite lifestyle magazine which more than any other chronicles the mores and concerns of the rich, now runs four special fashion issues a year. The magazine draws almost 60% of its advertising from fashion, beauty and jewelry advertisers. "Advertisers are realizing that they have to use two-page spreads to be noticed in *Vogue*, and they still don't overcome the clutter," claims publisher Jackson. "We're banging away at that."

Ah, but so is Gene Fahy, vice president of sales for *W*, the ritzy offshoot of Fairchild Publications Inc.'s fashion trade paper *Women's Wear Daily*. Where *Town & Country* covers the main line society crowd, *W* features the *nouveaux*. The lifestyle magazine goes bi-monthly to those who want to know the latest goings on of the Beautiful People and Fashion Victims. Beauty features are interspersed with celebrity and fashion designer interviews. Since *W* typically features new styles two months before *Vogue* and *Harper's Bazaar*, Fahy boasts, designers, retailers amd cosmetic makers are its primary advertisers.

Jockeying for the same leading edge appeal is snazzy immigrant, *ELLE*. The entry is a joint venture between Edi Sept Inc., a division of French *ELLE* publisher Hachette, and Murdoch Magazines. Publisher Marybeth Russell positions *ELLE* — which boasts striking full-bleed photography on 100-lb. cover stock and 50-lb. paper pages — as the style magazine for the affluent woman whose travels have left a taste for things international. "She already has style," says Russell. "We tell her how to fine-tune it."

As "an alternative in style and reproduction," Russell contends, "we don't have to position against another magazine." Although Russell likes to

WHERE THE FASHION DOLLAR GOES: THE TOP 15 FASHION AND BEAUTY MAGAZINE VEHICLES January – December 1985

rank	publication	circulation	total pages	fashion-beauty pages	% of total	total revenues	fashion-beauty revenues	% of total
1	Vogue	1,196,068	3,245.53	1,957.89	51%	$71,508,634	44,497,007	62%
2	Glamour	2,257,421	2,135.07	[illegible]	59	76,370,984	47,219,334	61
3	Cosmopolitan	2,820,109	2,436.8	1,252.82	51	100,758,850	54,721,049	54
4	Harper's Bazaar	739,985	1,749.91	1,116.16	64	[illegible]	[illegible]	[illegible]
5	N.Y. Times Mag.	1,572,408	4,380.34	1,079.24	25	109,608,598	29,670,662	27
6	Mademoiselle	1,184,404	1,509.37	[illegible]	67	35,167,000	[illegible]	70
7*	Seventeen	1,199,675	1,437.69	883.92	61	34,145,984	23,521,094	69
8**	W	211,061	1,316.24	731.06	56	[illegible]	[illegible]	54
9	Self	536,774	1,181.65	640.90	54	26,265,737	15,480,787	59
10	Town & Country	429,203	1,756.04	556.18	32	26,700,401	[illegible]	[illegible]
11	Good Housekeeping	5,203,022	2,053.01	461.67	22	142,376,138	42,525,954	30
12	Essence	801,672	950.64	450.09	47	15,357,664	6,822,482	44
13	Ladies Home Journal	5,040,157	1,362.29	331.7	24	77,018,769	19,381,442	25
14	Family Circle	6,702,134	1,853.06	322.06	17	145,787,554	25,730,694	18
15	Redbook	4,204,855	1,165.02	298.93	26	57,179,376	15,623,936	27

*Bride's (circ. 408,261) and **Modern Bride (circ. 376,476), premier showcases for bridal wear, not included in general fashion. If they were, Bride's would have ranked seventh, with 995.39 pages and $11,222,335 revenues; Modern Bride would have ranked eighth, with 732.79 pages and $7,206,955 revenues.

Sources: Audit Bureau of Circulation, Publishers Information Bureau and Leading National Advertisers – fashion-beauty pages and revenues by PIB industry classifications (apparel, footwear and accessories; toiletries and cosmetics) say *ELLE* pursues a "pure style" niche, while competitors (*Vogue, Harper's Bazaar, W, Town & Country, Vanity Fair*) have branched out, every issue since the magazine's premier last September has come closer to yet another collage of fashion and lifestyle. The March issue, for instance, has features on Katharine Ross, women innovators in music, actress Sigourney Weaver, and yes, fashion trends.

Whatever their course, the magazine's initial vital signs are good. After surpassing its first four-month ad page goal of 275 by 50 pages, *ELLE* has raised its rate base 50% to 375,000. Rates rise 50% effective in April. Russell is out there pitching alcoholic beverages automotive and travel accounts, as well as the more typical mix.

MICHAEL MELLA

Such expansion doesn't escape Michael Belluomo, vice president/editor and associate publisher of the fledgling competitor, *In Fashion*. "There is no fashion publication in America; the 'fashion' magazines are general-interest publications," he insists. A quarterly offshoot of the trade magazine *Sportswear International*, positioned as the dual-audience book of affordable fashions, *In Fashion* debuted last fall on newsstands and, in an intriguing twist, specialty boutiques.

The situation can get even more confusing in the next tier of traditional magazines — the more general interest-oriented *Mademoiselle* and *Glamour*. These books are often thought of as reaching a similar audience — young, career women with a good amount of discretionary income that usually gets spent on themselves. For their publishers, staking out separate turf can be a delicate maneuver. Both magazines are part of Conde Nast and find themselves competing for ad dollars not just against each other, but against other corporate holdings such as *Self* and *Vanity Fair*.

To ease their breathing, Conde Nast lets them live off each other a little with a package buy. A combined buy of *Vogue, Glamour, Mademoiselle, Self* and *Bride*'s starts at $136,530/four-color page.

> "We place from our gut. There are only two choices: *ELLE* and *Vogue*."
>
> ***Linda Cronin***
> ***Media relations coordinator,***
> ***Ann Taylor***

Ron Galotti, publisher of *Mademoiselle*, waxes philosophic about the number of lifestyle books trying to hook the fashion dollar. "For a long time," he says, "there was hardhitting editorial coming out of the working woman's publications. But how many times can you get your boss's job? The marketplace has shifted 180 degrees; people are back to doing very traditional things." So, he says, "to solicit more advertising, they've turned to this arena. What used to be article after article about employment, is now fashion-oriented — career dress and dress for vacations."

What perturbs Galotti is that some planners look at the numbers and group his magazine with *Cosmopolitan*. "The difference between us is night and day," he argues. "Helen Gurley Brown [editor] says *Cosmo* was designed to get women through the night. *Mademoiselle* is designed to get them through the day."

To mark the difference between his magazine and everyone else, Galotti is taking a bold step. He is putting *Mademoiselle* through what he terms a "re-emphasis" of its 51% fashion/beauty concentration. His goal is a position — *the* fashion-beauty magazine for young women — that stands out above demographics. "While others solicit business from every possible category," he says, "I want to become the first book in fashion and beauty."

Glamour is taking the opposite tack as the fashion-service book for young working women. Publisher E. Louis Holtermann, Jr. explains the broad "how-to" commitment that makes his book the fifth-leading newsstand seller: "We not only give our readers fashion and beauty, we give them answers to the many problems they're trying to solve. We incorporate financial, electronics, food and travel into our mix." Holtermann proudly points out that thanks to growing nutrition coverage for busy working women, food advertising in *Glamour* doubled in 1985 to about 108 ad pages.

Like Galotti, Holtermann dismisses *Cosmo* as a competitor. "It's a wish book, a fantasy book," he says. "Demographically you might see some resemblance to our reader, but the mindset is different."

All that sniping doesn't worry Claeys Bahrenburg, publisher of *Cosmopolitan*. He claims fashion marketers need broad books like his more than ever. "The fashion industry has marketed purely to certain image vehicles," he comments. "They've saturated the high-end magazines — *Vogue* and *Harper's Bazaar* — and they need to reach a larger market. They know they have to go into broader vehicles to move product."

The magazine started a push for more fashion advertising in March of last year. Since then, it has doubled its fashion coverage, jazzed up its presentation, added manufacturers' names for featured clothing or makeup and beefed up its merchandising capabilities. "*Cosmo* isn't a vertical fashion book or even a younger skew of *Glamour* or *Mademoiselle*," tells Bahrenburg. "But fashion is an important element in the *Cosmo* girl's life." Response has been so good that he aims for 500 fashion ad pages by 1988.

> “It's clutter. Some fashion magazines look like huge catalogs.”
>
> ***June Leaman***
> ***Senior vice president, creative marketing,***
> ***Estee Lauder, Inc.***

And then, making a bold, athletic play for "sexy, young, stylish" fashion is Conde Nast's *Self*. Eight years old, *Self* bridges the gap between fashion and service, speaking to the younger career woman who is committed to fitness of body and mind. As publisher J. Kevin Madden sells it, *Self* makes fashion more practical and personal: "If there's a new direction in fashion, we show it to her, but in a way she can personalize it. You'll never find a look in *Self* that you realize a woman couldn't walk in or sit in."

That philosophy often translates into fashion layouts that feature more casual and athletic clothing. But the magazine doesn't ignore work wardrobes. Madden allows that "we are definitely competing with *Glamour* and *Mademosielle*. Again, they're more in the 250, 300 fashion ad page area, versus our 187 pages. But we are becoming a part of that world."

So are a whole host of others. The panopoly of choice both pleases and puzzles buyers.

So which ones get the nod? Demographic boundaries aren't a cinch to draw. Simmons 1985 data shows that for readers of *Vogue, Harper's Bazaar, Glamour* and *Mademoiselle* alone, the median incomes are within $1,500 of each other.

Also, low duplication makes it tough to cut magazines from the list. According to Simmons, the duplication between *Vogue* and *Harper's Bazaar* is only 14%, between *Vogue* and *Mademoiselle* only 13%, between *Vogue* and *Glamour* only 13%. On average, Simmons reports less than 15% readership duplication between the magazines. "There's a great homogenization in demographics," Galotti admits. "You *have* to look at the editorial difference."

For chic designers with limited budgets, that means buying "the few that are essential," as Amy Fruchtman, media director at Murray Salit & Associates, puts it. For manufacturer Ellen Tracy, Fruchtman buys *Vogue, Harper's Bazaar, ELLE* and *Town & Country*. At Ann Taylor, "there are only two choices: *ELLE* and *Vogue*," says media relations coordinator Linda Cronin. "We place from our gut. *ELLE* and *Vogue* have the highest quality color reproduction and paper. *Vogue* has higher circulation and the fashion label."

According to McCann-Erickson's Barry Marek, editorial environment is a 50% factor in a magazine buy for Cosmair's Lancôme line. His target: affluent, fashion-conscious women, ages 24 to 54. "The kind of woman a lot of these magazines can deliver," he says. "It calls for a psychographic plan. Our product isn't a necessity. We want people to relate it to what they're seeing." In addition to *Vogue, Mademoiselle, Harper's Bazaar, ELLE* and *Glamour*, he adds *Town & Country, Vanity Fair, Self*, then fills out the buy with *The New York Times Magazine*, the *Los Angeles Times Magazine* and *Texas Monthly*.

Status is not the only determinant for Gitano's John Amodeo. Since customers buy a bargain in Gitano, Amodeo actually avoids the books he calls status-oriented: *Town & Country, Vanity Fair* and *Harper's Bazaar*. His schedule runs in "everything from *Teen* and *Young Miss* right through to *Vogue* and *ELLE*." To reach "the large market of black women," Amodeo runs in *Essence*.

For other mass marketers, fashion buying requires packaged goods strategy. That's the approach Michael Calman, chairman of Calvin Klein's in-house CRK Advertising, takes for jeans. Calman starts with *Vogue, Harper's Bazaar, W, ELLE* and *The New York Times Magazine* — books where readers and retail managers shop for trends. Then come such lower-circulation books for the fashion-conscious as *Details* and *Interview*. Added for reach are *People, Cosmopolitan* and *Mademoiselle*.

The Christian Dior strategy is similar at Chiat/Day. To get monied, quality-conscious people in upscale markets, vice president, media director Bob Zach adds local magazines — *Chicago, D* and *The Los Angeles Times Magazine* — to a base of *Vogue, Harper's Bazaar* and *ELLE*.

As complicated as buying them can be, the fashion contenders eye a stable future. *Self*'s Kevin Madden sees the bright spot in increased conglomerate ownership of fashion houses and beauty manufacturers — which top the list for fashion-beauty advertising at all of the magazines. His reasoning is that these are the companies with the deepest spending pockets. As *Harper's Bazaar*'s Schrader points out, beauty advertisers have faith in advertising, and the money to spend.

> “The fashion industry needs broader vehicles for a wider market.”
>
> ***D. Claeys Bahrenburg***
> ***Publisher,***
> **Cosmopolitan**

"I think there's room for all of them," confirms Elizabeth L. Hertan, senior media planner at AC&R Advertising, agency for Estee Lauder. Her belief springs from her buying. "We don't have to differentiate among the quality fashion-beauty magazines," she notes. "We feel we have to keep up a really preeminent presence in the fashion-beauty arena. We cover a broad spectrum. It takes all of them to reach who we want." ■

their voluntary contributions to fund a national program in 1985.

For 1985, Smith Burke & Azzam developed a media plan incorporating two network tv flights during the spring and fall. The spring flight was scheduled for three weeks at 110 HH rating points per week. The fall flight lasted four weeks at 100 HH rating points per week.

A recent state of the system report, delivered by Robert C. Hazard, Jr., president and CEO of Quality Inns International, detailed the 1985 results. Systemwide reservations volume increased 35% over 1984, topping all previous records. During the same period, industry-wide trends were flat, at best.

Revenues for the same period of time were 41% above 1984 levels. Room sales through the first eight months of 1985 exceeded 1984 sales by $91 million. Since the formation of the organization over 30 years ago, room sales through the central reservation system had exceeded $10 million in one month only one time and that was considered a milestone. In 1985, monthly room sales through the reservation system exceeded $10 million six times.

Traceable, quick results makes for a group of happy independent franchisees and corporate management team. As far as the advertising agency (Smith Burke & Azzam) is concerned, it demonstrated once again that they are, in fact, "Creators of advertising that works the next day," just as they position themselves to clients and prospects. ■

MAGAZINES

by Mary Ann Cunningham

Media planner, BBDO

CONSUMER MAGAZINES AND THE TOBACCO HABIT

If a ban on tobacco advertising were to materialize, the consequences would be devastating for a great number of consumer magazines. Specifically, the top 40 publications ranked by tobacco ad pages would stand to lose over $375 million in projected 1985 annual advertising revenues. To put that figure in perspective, it is more than the total advertising revenue of *TV Guide* or *Time*. In fact, it represents the combined advertising income of *Glamour*, *McCall's*, *Ladies' Home Journal*, *Playboy*, *Redbook* and *Life*. A revenue loss of this magnitude could force a number of today's marginally successful magazines out of business. Additionally, many other publications would have to alter their product dramatically to offset the loss of revenue. These changes would have a negative impact on millions of readers and a considerable number of advertisers.

IMPLICATIONS: The 1971 cigarette advertising ban on television caused a short-term decline in advertising revenues. However, television survived. The switch from 60-second to 30-second commercials as the basic unit of sale brought in new advertisers to soften the blow. Concurrently, the networks tightened their belts, cutting production costs by scheduling fewer original program episodes.

Many consumer magazines would be forced to employ similar tactics to compensate for less advertising revenue. Operating costs could be lowered by reducing the physical dimension of the magazine and decreasing the number of editorial pages. Furthermore, the quality of the paper stock could be lowered and color could be limited throughout the editorial product.

Print orders could be limited to reduce waste at the newsstand by targeting distribution exclusively to high population areas. More pick-up articles would be used, along with fewer staff writers and more freelancers.

Subscription and single-copy rates would be increased. Attempts would be made to stimulate advertising revenue by aggressively soliciting new advertisers. Emphasis on fractional space units could entice non-print advertisers. Also, there is the likelihood that some magazines would alter their current editorial mix to attract these new categories. Higher advertising costs would not be a reasonable alternative, but rather more attractive rate packaging would occur.

The extent to which each magazine would react would be subject to their individual revenue loss. Certain magazines such as *Good Housekeeping*, *Parents*, *Health* and *Reader's Digest* would benefit by comparison since they do not currently accept tobacco advertising. The following is intended to anticipate the extent to which specific magazines would be affected.

A ban on tobacco advertising could force a number of marginally successful magazines out of business.

FINANCIAL IMPACT: The top 40 magazines in terms of tobacco ad pages receive significant amounts of advertising revenue from the tobacco category. (See exhibit I). Tobacco advertising revenue as a percent of total advertising revenue ranges anywhere from 3% to 34% (1985). In the majority of cases, it represented over 10%. In fact, in 1984, publications such as *Parade*, *USA Weekend*, *Penthouse*, *Playboy*, *New Woman*, *US*, *Sport* and *Sporting News* received at least one-fifth of their advertising revenue from tobacco. Most of these books will finish 1985 with similar shares. It is interesting to note that the major weekly category alone realizes over $125 million in tobacco advertising revenue (1985 projected).

I-AD REVENUES FROM THE TOBACCO INDUSTRY BY MAGAZINE CATEGORY

	1984 JAN-DEC		1985 JAN – NOV (LATEST AVAILABLE DATA)	
GENERAL INTEREST	**TOTAL ($000)**	**% AD REVENUE SHARE OF BOOK**	**TOTAL ($000)**	**% AD REVENUE SHARE OF BOOK**
Ebony	3,631	11.2	2,979	8.5
Life	5,279	15.1	4,891	13.6
Money	4,882	8.6	3,209	5.6
Parade	39,845	25.4	38,944	22.1
Fam Wkly/USA Wkend	21,120	24.3	16,020	18.8
New York Times Mag.	3,832	3.5	3,150	3.2
HOME & HOME SERVICE				
Better Homes & Gdns	15,071	11.9	11,897	10.6
Country Living	2,348	14.7	2,455	12.5
House Beautiful	3,046	11.7	1,231	5.4
Metropolitan Home	2,091	15.1	1,649	12.8
MEN'S				
Penthouse	6,995	31.8	6,075	33.9
Playboy	10,978	20.0	9,897	19.6
MAJOR WEEKLIES				
Newsweek	27,676	11.2	19,044	8.6
People Weekly	29,877	12.8	24,907	11.5
TV Guide	36,948	12.8	32,615	11.2
Time	41,555	12.4	29,098	9.4
USN&WR	14,288	14.1	8,703	9.6
US (Bi-weekly)	3,914	47.7	2,262	33.7
WOMEN'S				
Cosmopolitan	7,610	8.0	6,903	7.5
Essence	1,541	11.5	1,305	9.3
Family Circle	16,274	12.5	10,424	8.4
Ladies' Home Journal	9,317	14.0	7,579	10.9
McCall's	10,707	14.0	7,692	10.6
New Woman	1,405	20.1	1,411	16.5
Redbook	8,036	15.1	6,822	13.3
Woman's Day	13,855	12.6	9,474	10.4
Working Woman	1,832	9.7	1,664	8.8
WOMEN'S FASHION/BEAUTY				
Glamour	5,753	8.2	5,704	8.1
Harpers Bazaar	2,751	8.8	2,222	7.7
Mademoiselle	2,450	6.8	2,631	8.3
Vogue	3,642	5.4	3,181	4.8
MUSIC				
Rolling Stone	4,100	18.2	4,678	18.6
SPORTS				
Sports Illustrated	30,135	13.1	26,903	12.5
Sport	2,793	26.5	2,826	27.3
Sporting News	2,001	26.4	2,137	29.3
EPICUREAN				
Bon Appetit	2,373	9.8	1,723	7.4
OUTDOOR				
Field & Stream	5,658	16.5	5,268	15.8
Outdoor Life	3,428	17.6	2,946	15.6
MECHANICS				
Home Mechanix	3,425	17.7	2,274	14.5
Popular Mechanics	4,049	14.9	3,001	11.3

Source: Folio: Ad Guide, 1985
LNA/PIB Magazine Advertising Analysis Service, 1985.

In order to understand the full financial impact of the ban, tobacco advertising revenue must be considered in the context of total revenue derived from advertising, subscription and newsstand sales (See exhibit II). By looking at the combination of the primary income source and amount of tobacco advertising from 15 selected magazines, the following conclusions can be drawn:

Weeklies alone realized over 125 million in tobacco ads in 1985.

- High Advertising Revenue/High Tobacco Advertising: Publications that rely on advertising as their main source of revenue and carry a great deal of tobacco advertising will be hardest hit by the ban. Examples of magazines with this combination are *Parade* and *Sport*.
- High Advertising Revenue/Medium Tobacco Advertising: Publications that receive a fair amount of tobacco advertising but generate a large portion of total revenue from all other advertising will also be hurt. For example if a ban existed in 1984 *Time* magazine's loss would have been significant, over $40 million, roughly double their newsstand income.
- High Newsstand Revenue/High Tobacco Advertising: Those publications that earn the majority of their income from newsstand sales have less to fear. *Penthouse* carries a significant amount of cigarette advertising. However, due to its heavy single-copy sales, this accounts for only a small percentage of their total revenue.

An exception in this category is *US* magazine. In spite of a relatively large share of newsstand revenue, *US* magazine's share of tobacco advertising is large enough (11.7% of total 1984 revenue) that they would stand to suffer from the ban.

Although, this does not take into account actual profit margins from various revenue sources, the implications are that the financial health of several magazines would be jeopardized.

II - TOBACCO ADVERTISING SHARE OF TOTAL REVENUE—COMPARISON OF SELECTED PUBLICATIONS

PUBLICATION	1984 REVENUE									
	TOTAL REVENUE		ADVERTISING		SUBSCRIPTION		NEWSSTAND		TOBACCO	
	($000)	%	($000)	%	($000)	%	($000)	%	($000)	%
Ebony	$ 54,938	100.0%	$ 32,518	59.2%	$17,458	31.8%	$ 4,961	9.0%	$ 3,631	6.6%
Life	76,701	100.0	35,007	45.5	21,421	28.0	20,273	26.5	5,279	6.9
Parade	157,346	100.0	157,346	100.0	0	0	0	0	39,845	25.4
Better Homes and Gardens	204,949	100.0	126,134	61.5	69,052	33.7	9,762	4.8	15,071	7.4
Penthouse	169,142	100.0	22,025	13.1	5,918	3.5	141,199	83.4	6,995	4.2
Playboy	171,354	100.0	54,975	32.1	46,294	27.0	70,065	40.9	10,978	6.4
Newsweek	352,044	100.0	247,095	70.2	88,226	25.1	16,724	4.7	27,676	7.9
People Weekly	387,288	100.0	232,888	60.1	39,427	10.2	114,973	29.7	29,877	7.8
TV Guide	743,750	100.0	304,265	40.9	202,216	27.2	237,270	31.9	36,946	5.3
Time	540,742	100.0	335,589	62.0	183,741	34.0	21,412	4.0	41,555	7.7
US	33,533	100.0	8,199	24.5	7,417	22.1	17,937	53.4	3,914	11.7
New Woman	25,375	100.0	6,976	27.5	5,220	20.5	13,179	52.0	1,405	5.6
Redbook	92,662	100.0	53,095	57.3	27,692	29.9	11,875	12.8	8,036	8.7
Glamour	110,349	100.0	70,585	64.0	8,600	7.8	31,164	28.2	5,753	5.3
Sport	22,115	100.0	10,536	47.7	7,996	36.2	3,503	16.1	2,793	12.7

Source: The Folio: 400/1985; The Folio: Ad Guide/1985.

A tobacco advertising ban would cause turmoil within the publishing industry. A number of publications could go out of business and the financial climate would encourage fewer new magazine entries. Many other books would be forced to alter their product dramatically and, as a result, readers and advertisers would suffer. ■

NEWSPAPERS

by Frank Hajek

Associate media director, Dancer Fitzgerald Sample

THE RATE DIFFERENTIAL

Called up for a column this month, I had planned one on positioning of newspaper ads, but a late development dictates a change in signals. By the time you read this there will be more information available on the Wichita *Eagle-Beacon*'s announced elimination of the national vs. retail rate differential.

This column has a two-fold purpose. First, to give some exposure to a paper which breaks the rate differential spiral — positive reinforcement — and second, to temper whatever optimism this action might inspire.

Certainly the *Eagle-Beacon*, and Knight-Ridder newspaper sales to whatever degree they influenced the paper's decision, should be commended for tackling a major thorn in the side of national advertisers. It is very irritating to know that another advertiser, buying the same space on the same page at approximately the same discount, is paying a lower rate — and in the case of many major newspapers, a substantially lower rate. It contributes to national advertisers' feelings that they are in an adversary relationship with newspapers.

While the picture now appears brighter, there are still some clouds in the sunny sky. Of roughly 1,700 dailies, this adds just one more paper to the handful with no differential. An article mentioned that Knight-Ridder (and presumably other newspaper firms) would be watching this situation very closely. The implication is that if the experiment is successful, that is, if it generates incremental national advertising dollars, a trend to abolish the differential might take place.

Obviously that is a very big "if." How can one newspaper in the 59th-ranked ADI attract more national advertising all by itself? After all, the national advertiser selects a "medium" to carry his message. (A "medium" here defined is a form of message conveyance that is available in all places the advertiser selects to put his advertising; he needs a reasonable degree of geographic consistency.) In this context, newspapers are a "medium." The *Eagle-Beacon* isn't.

BRAND REPORT

NO. 131: COFFEE

JAVA'S JANGLED NERVES

SOFT DRINKS
COFFEE
REG
BLK
DECAF
MOCHA
JAVA
COFFEE
REG
BLK

MICHAEL OKAMOTO

by Carol Hall

To some, the nearly $6 billion U.S. coffee industry has about as much strength, as much verve as a cup of java brewed from thrice reused grounds. "It's a declining market and you should get what you can out of it — take the money and run, use it as a cash cow like the tobacco companies have done [with cigarettes]," says John Maxwell, an analyst with Furman Selz Mayer Dietz & Birney.

Yet, even with consumption continuing to fall and growth prospects looking spotty, the coffee business is one of the more fiercely competitive marketing arenas in the world of packaged goods. It is an industry populated by many regional roasters, but dominated by a handful of corporate giants. It is a business that's consolidating its players and one where share points are so hotly contested that marketers treat past strategies, not to mention future ones, like state secrets. But it is also a business that's making a concerted effort to market its way out of a sales slump. Coffee marketers are trying to force growth with new products and trying to change java's image by taking their appeals to young adults.

Coffee consumption has been slipping for over twenty years. Except for a slight upturn in 1984 — mainly due to a host of product launches — consumers have steadily cut consumption since the 1962 peak, when each American over the age of ten poured down 3.12 cups a day. In 1985, according to Business Trend Analysts Inc. (BTA), a market research firm, that rate had fallen off to 1.83 cups daily, a drop of over 40% from 1962.

The declines in consumption at all age levels are lead by people 20- to 24-years-old. They downed nearly 66% less in 1985, according to the International Coffee Organization, than people their age did in 1962. The most loyal coffee drinkers are adults 40- to 49-years-old, though their consumption is off by over 30% from 1962.

A number of influences are at work shaping coffee sales and marketing, but probably most important is the trend in the U.S. away from hot drinks in general. "People are moving towards cold and sweet drinks," explains Maxwell. "It's our fast way of living. They don't want to wait for things to cool down," he says, or take the time and effort to prepare them.

Enter the Pepsi Generation. According to a survey by the International Coffee Organization, 1985 marked the first year that soft drinks overtook coffee as the nation's favorite beverage. Soft drinks are now consumed regularly by 59.4% of the American public, versus coffee's 54.9%. Breakfast is now the only meal where coffee doesn't compete with soft drinks, and lifestyle changes have crossed that meal off the lists of quite a few people — especially younger ones.

Coffee's image has hurt it, too. For

COFFEE MARKETERS' MEDIA EXPENDITURES JANUARY-SEPTEMBER 1985 (000)

COMPANY/BRANDS	TOTAL	MAGS	NET TV	SPOT TV	OUTDOOR	SUNDAY MAGAZINES	NET RADIO	CABLE TV
GENERAL FOODS								
BRIM	$10,244.4	$674.9	$7,695.4	$1,331.3	–	–	–	$542.8
INTERNATIONAL COFFEES	11,233.5	1,803.9	5,869.5	2,849.4	–	–	–	710.7
MAXWELL HOUSE	24,108.9	1,007.00	17,277.2	3,412.1	2.0	483.8	271.5	1,969.0
SANKA	11,362.8	345.6	9,564.2	804.7	–	91.4	162.0	394.9
PROCTER & GAMBLE								
FOLGERS	31,656.3	–	21,111.5	9,156.9	–	–	533.0	854.9
HIGH POINT	4,133.7	–	3,388.9	546.9	–	–	–	197.9
NESTLE								
HILLS BROTHERS	3,536.9	1,224.8	–	3,528.3	8.6	–	–	–
NESCAFE	6,080.0	1,034.0	1,246.6	3,441.7	–	166.9	–	–
TASTER'S CHOICE	11,707.4	–	7,849.7	–	–	–	–	706.8
CHOCK FULL O'NUTS	*–		–	–	–	–	–	–

*No figures reported *Source: Leading National Advertisers; Newspaper figures for this period are not available.*

years it has been pegged an older-person's beverage, an idea reinforced by what one analyst describes as "the industry's old bags": the queen of "good coffee," Folger's Mrs. Olson, and Maxwell House's Cora. The fact that the ranks of older Americans are growing is something of an ace in the hole for coffee marketers. But with overall consumption still declining, they are anxious to create new coffee klatchers.

The industry as a whole, as well as individual marketers, is involved in this image make-over. In September 1983, the National Coffee Association of U.S.A. Inc. launched a one-year, $24 million generic ad campaign. Out to encourage 18- to 34-year-olds to join the java fold, it featured hip celebrities like comedienne Jane Curtin and author Kurt Vonnegut, and a slogan that proclaimed, "You are the new coffee generation . . . Join the coffee achievers."

The association thinks the campaign was effective and is planning a second wave of ads, currently in test, that will tell young adults: "Coffee — make a break for it." The $20 million campaign should go national later this year.

Marketers are themselves making a noticeable effort to shake off that older image. "There is an awareness among [coffee] marketers of the need to try to appeal to a younger audience," says Carolyn Ober, marketing services manager of Hills Brothers Coffee Inc. Ads, she says, are tending to be "more upbeat, more humorous. We're trying not to take ourselves so seriously."

"We have a new emphasis on reaching younger adults," states a spokesman for Procter & Gamble. The company, in 1984, retired Lauren Bacall as pitch person for the High Point brand, substituting the "Mom's relaxing moment" lifestyle campaign. Ms. Bacall, he says, "is a very mature adult and we're not *just* interested in targeting them." In addition, P&G, after twenty years, told Mrs. Olson to put down the Folger's and move on. General Foods got rid of Cora and her quaint Maxwell House-laden general store and the company no longer uses Robert *Father Knows Best* Young to pitch Sanka.

Of course, another major influence on the market is the nation's growing health-consciousness: It has a decreasing tolerance for caffeine. Though published findings on the dangers of caffeine are nothing like the cloud of bad publicity shadowing nicotine, rumblings are there nonetheless — and are loud enough to scare off a lot of consumers, especially younger ones.

One segment consumers are showing renewed interest in is ground roast coffees. While the flavor of fresh-brewed has always been touted as superior, consumers didn't want to take the trouble to make it. The advent of sophisticated coffee-making machines has changed that. Purchases of ground roast/whole bean accounted for nearly 24% of coffee sales in 1985, according to BTA.

Decaffeinated ground roast is also a growth segment, but this just echos the growing popularity of caffeine-free coffees in general. The segment was created by General Foods' Sanka about 60 years ago. "They made decaffeinated coffee mainstream," says Gary Stibel, a consultant at New England Consulting Group, "and they legitimized it to the point where it's a significant factor in the coffee market." Decaf has grown to where the segment now represents almost 20% of all coffee consumed.

Until the last five or six years, its sales plugged along as an odd-ball, fuddy-duddy brew for the elderly. But with increasing concern over caffeine, many more people of all age brackets prefer it. Since late 1984, nearly every major marketer has launched a new decaf or extended exisiting lines.

THE AMERICAN COFFEE DRINKER

	1962	1981	1982	1983	1984	1985
Cups per drinker per day	4.17	3.41	3.38	3.36	3.48	3.33
Percentage drinking	74.7	56.4	56.3	55.2	57.3	54.9

Source: International Coffee Organization, Winter Coffee Drinking Study 1985

CONSUMPTION BY TIME OF THE DAY

	Percentage share					Change	
	1962	1982	1983	1984	1985	1962 to 1985	1982-4 to 1985*
Breakfast	38	46	46	46	48	+10	+1
Other meals	31	19	19	18	16	−15	−3
Between meals	33	35	34	36	36	+3	+1
Total	100	100	100	100	100		

*These figures represent the change of data between 1985 and the average of 1982 to 1984.

Source: International Coffee Organization, Winter Coffee Drinking Study 1985

CONSUMPTION OF COFFEE AND OTHER BEVERAGES

	Pecentage drinking					Change	
	1962	1982	1983	1984	1985	1962 to 1985	1982-84 to 1985
Coffee	74.7	56.3	55.2	57.3	54.9	−19.8	−1.4
Tea	24.7	31.6	31.8	30.9	30.9	+6.2	−0.5
Milk	53.6	48.9	48.8	47.7	47.4	−6.2	−1.1
Soft drinks	32.6	52.9	55.1	57.1	59.4	+26.8	+4.4
Juices	41.4	44.5	44.6	45.7	45.5	+4.1	+0.5

Source: International Coffee Organization, Winter Coffee Drinking Study 1985

Specialty, or flavored coffees are another hope for this market's future, too. "Marketers are out there trying to find a new niche, a new way to grab consumers," says Walter Taylor, marketing manager at Chock Full O' Nuts. The market, which currently accounts for about 1% of the industry's sales, should grow, most agree, because it brings in people who aren't coffee purists. In that sense, it is the least coffee-like competitor in the coffee category. Its consumers are about 70% female.

Some, though, are skeptical of this line-extension explosion. For one thing, grocers are increasingly unlikely to fork over much more shelf space. As more stores install bar-code scanning machines, grocers are more able to get a reading on how profitable a product is for the amount of space it's allocated. Some think this could mean more marketing dollars will go towards fattening retailer discounts.

Others aren't sure new launches will bail out coffee sales for another reason. "Several manufacturers have done an excellent job at [coming up with] line extensions," notes Gary Stibel. "What they've failed at is coming out with genuinely new products — products like Lean Cuisine in frozen foods — products that are revolutionary rather than evolutionary. The new product work," he adds, "has been closer in rather than farther out."

The larger marketers rely heavily on tv commercials to move their brands. Traditionally, advertising in this category is heaviest in the colder months and, with women still the primary purchasers of coffee, concentrated in daytime slots. Most coffee producers also put marketing dollars towards couponing in newspapers, with free-standing inserts and via direct mail.

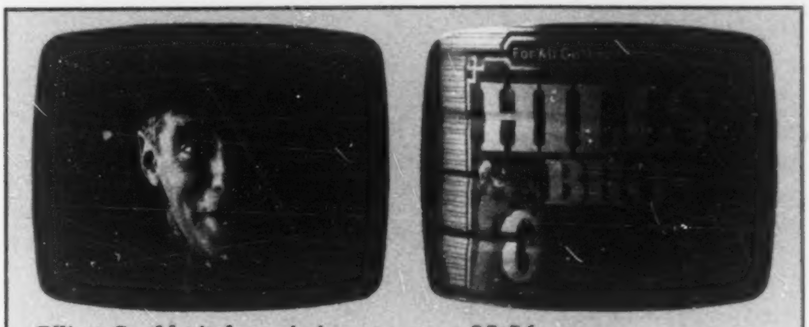
All the leading coffee manufacturers say that marketing plans are somewhat up in the air now due to the roller coaster ride coffee bean prices are on. Freezes are usually the problem but Brazil, which provides over 25% of the world's beans, has been experiencing a drought. This has jacked prices up 90% since July, the National Coffee Association reports. "The volatility of the marketplace might almost prevent somebody from making a sensible marketing plan," explains the association's William Brooks.

GENERAL FOODS

The dominant force in the coffee industry is General Foods, both in market share and the media dollars it pours over its grounds, instants and specialties. With 1984 coffee-brand expenditures of $88.8 million, Leading National Advertisers reports, General Foods locked up a 36.2% share of the regular coffee market, according to John Maxwell, and 44% of instant's.

For all Maxwell House lines — ground, instant, regular and instant decaf, and the richer Master Blend — the brand received $24.1 million in support through September of last year. The lion's share went to the network ads, created by Ogilvy & Mather, featuring the wandering photographer Hal and his faithful dog Duke. The agency has also put together a campaign for tv, newspaper inserts and coupons that plays off a "Star Wars"-type theme. According to Media Records, the 1984 newspaper total for the brand was $105,529; Radio Expenditures Report says $128,691 went to radio.

As the marketer of Sanka, General Foods' virtually owns the decaffeinated market. The brand raked in a 39.8% share in 1983, according to PaineWebber Inc. It's available in both ground and instant, segments in which it held a 4.4% market share and 10% share, respectively, in 1984, according



Elliott Gould pitches, aiming at women 25-54.

to Furman Analysts John Maxwell's figures.

Sanka, whose sippers are mostly 40+ years old, is heavily advertised on network tv. In 1984, the brand received $16.9 million in ad support for all media, according to LNA, and $11.3 million for the first nine months of 1985. In 1985, print buys included *Newsweek*, *Reader's Digest*, *Good Housekeeping* and *Southern Living*. Newspaper money totaled $750,485 in 1984, reports Media Records and radio advertising got $4,064 that year, according to Radio Expenditure Reports.

The company's "Fill it to the rim with Brim" slogan has helped give the company another strong contender in the decaffeinated arena. Brim had a 22.8% share in 1983. The first nine months of 1985 show $10.2 million for advertising, LNA says. Print ads appeared in *Better Homes and Gardens* and *Ladies' Home Journal* but, again, most ad money went to television.

General Foods also dominates the fledgling flavored-coffee market with its instant-only International Coffees. The brand held a 1.9% share of the instant market in 1984, Maxwell reports. The company has broadened the line, first available in sweetened flavors like Suisse mocha and cappucino, last year introducing a line sweetened with aspartame. It also recently launched a line of ground flavored coffees, called Le Cafe, available in tastes like cinnamon and amaretto. Its target audience skews a bit older, 25-40 years with a $30,000+ income, than International's 18-34 year olds.

The company put $11.2 million in ad dollars behind International Coffees for the first nine months of 1985, according to LNA, the bulk of it going to network television. Spokeswoman Carol Lawrence was long ago dropped and the current campaign has a decidely more lifestyle-oriented tone. One ad, for instance, features two 30-ish women remembering their high school prom together.

PROCTER & GAMBLE

Mrs. Olson left the Folger's fold in 1984. That same year Procter & Gamble launched the Cunningham & Walsh "The best part of wakin' up is Folger's in your cup" campaign, featuring younger people and bouncier music. Apparently people still think the brand's good to the last drop: Its share of the regular coffee market rose to 25% of the ground coffee market in 1984, up from 24.9% in 1983, according to John Maxwell. Its share of instants climbed to 13% in 1984 from 12.5% in 1983; the brand also weighed in with a decaffeinated variety in 1984.

Early in 1985, "Folger's Red Brick" was rolled out. It is a new form of packaging that wraps the ground roast in laminated plastic and foil. It's cheaper than cans and supposedly keeps the coffee fresher, longer.

Folger's, in all its variations — automatic drip, flaked, instant decaf, etc. — was backed with $31.6 million for the first nine months of 1985, according to LNA — the most of any brand. It received almost all of P&G's ad support in the last nine months. According to a company spokesman, far and away the bulk of the media dollars went towards spot and network buys. Daytime buys were most frequent, but some ads ran during the evening, as well. In an effort to "spread out our advertising dollars," P&G also ran a "Wakin' Up" campaign on the radio. The company hasn't used radio much in the past, but feels the jingle of this ad transfers well enough to do so.

P&G doesn't just promote Folger's with free-standing inserts and co-op trade advertising. Last year it started sponsoring "The Folger Coffee Machine" — a race car that appears on the circuit in the Southeast.

High Point decaffeinated coffee is P&G's other coffee entry, claiming an 11.7% share of that market in 1983, according to PaineWebber. It has never been a particularly strong performer for P&G. Observers speculate that if a shakeout comes as a result of the new decaffeinated coffees being introduced, High Point is a likely victim.

Lauren Bacall was pulled from the brand's campaign in 1984 and an all-

CONSUMERS OF DECAFFEINATED COFFEE BY SEX AND BY AGE

	Pecentage drinking				Change
	1982	1983	1984	1985	1982-84 to 1985
Total decaffeinated	**15.7**	**15.3**	**17.7**	**17.3**	**+1.1**
By sex:					
Males	13.2	13.7	15.5	15.8	+1.7
Females	18.0	16.9	20.0	18.7	+0.4
By age:					
10 to 19 years	2.0	2.5	2.5	1.7	−0.6
20 to 29 years	8.3	5.7	7.1	7.3	+0.3
30 to 59 years	18.9	19.1	21.7	21.0	+1.1
60 years plus	30.9	30.8	35.2	33.8	+1.5

*These figures represent the change between data for 1985 and the average of 1982 to 1984.

Source: International Coffee Organization, Winter Coffee Drinking Study 1985

American family — and the slogan, "Come away from the stress to a new High Point and relax . . ." — was substituted. Though the company reports it is doing small amounts of trade advertising, the agency on the account, Compton Advertising Inc., says that High Point has received no money at all for the last nine months. "We're looking into new ways to go with the brand right now," a Compton employee says. In 1984, it received a total of $14.7 million in ad support.

NESTLE

Though Nestle S.A. took steps to correct the imbalance last year, the marketer is still without a nationally distributed ground roast brand at this writing.

But its Taster's Choice brand is a strong player in decaffeinated and regular instant categories. PaineWebber gives the decaf a 14% share in 1983 of the caffeine-free market; John Maxwell's figures give the regular instant a 9.7% share of its market in 1984.

In 1984, the company changed ad campaigns and, in contrast to what seems to be the trend towards "lifestyle" themes, dropped the more slowed-paced "Times like these are made for Taster's Choice" in favor of zippier ads emphasizing taste. According to LNA, Nestle spent $19.5 million on the brand in 1984 and $11.7 million in the first nine months of 1985 on the "Choice for taste is Taster's Choice" campaign. The line, including the newly introduced, richer Maragor Blend, was advertised in books including *National Geographic*, *People*, *Reader's Digest* and *Newsweek*. Tv ads for Maragor run on network evening news shows, among others.

CONSUMPTION OF COFFEE, BY SEX

Cups Per Person Per Day

Year	Male	Female
1962	3.28	2.86
1982	2.06	1.75
1983	1.93	1.61
1984	2.10	1.80
1985	1.81	1.70

Source: International Coffee Organization, Winter Coffee Drinking Study 1985

In 1984 the company set out to boost sliding Nescafe sales with the Custom Blended line extensions. The line of two Nescafes — regular (now called Classic) and decaf — grew to four with the addition of Brava (stronger than regular) and Silka (milder). Out of McCann-Erickson/New York, the ads feature former *Untouchables* star Robert Stack as spokesman and the slogan: "Nescafe . . . taste your way."

The company backed the line with over $6 million in the first nine months of 1985, according to LNA. Print ads ran in *Better Homes and Gardens* and *Reader's Digest*, but the bulk of the budget went to television. Evening news shows were among the buys.

Intent on becoming a much stronger force within the coffee business, Nestle moved to close the gap between itself and bigger rivals last year, buying its way into the ground roast market. Early in 1985, Nestle bought Hills Brothers Coffee Inc., the third-largest

IF THIS IS
YOUR VIEW OF
DAYTON, OHIO

LOOK
AGAIN

We're soaring sky-high. Dayton is high-tech. Dayton is high-income. And Dayton reads Dayton newspapers. We've got a first class market — 678,000 adults, 18,000 scientists and engineers,* and a newspaper reach of 79% of $25,000 + annual income households.** Ask your media people to reserve a window seat for you. You'll love the view.

*1983, Ohio Data Users Center
**Dayton only, 1984 Paragon Survey

DAYTON
DAYTON/SPRINGFIELD NEWSPAPERS
Represented nationally by Sawyer-Ferguson-Walker, Inc.

Save 30¢
Chock full o' Nuts Ultra Blend
Chock full o' Nuts
Ultra Blend...
Ultra Taste
Ultra Value!
Ultra Blend
Chock full o' Nuts
VACUUM PACKED

The "heavenly coffee" can't match its competition in ad dollars.

coffee roaster in the U.S. (it had a 8.1% share of the market in 1984). It added smaller roaster MJB Co. last May.

The feeling among analysts is that Nestle will take Hills Brothers national very soon. But, according to Hills Brothers' marketing services manager Carol Ober, they are "still undecided about a roll-out. There is a very good chance that we will proceed — but in stages. It makes sense," she adds, "if you're in two-thirds of the country to be national." She says that Nestle currently doesn't have any input into Hills Brothers marketing plans.

Ober says that the brand's ad budget will jump by 25% in 1986. Though LNA reports a nine-month 1985 total of $3.5 million, Ober says the 1985 dollars actually totaled about $8 million, and that this year's will hit the $10 million mark. She says the budget is split, with about 90% going to spot tv, the other 10% to newspapers.

She says that figure is irrespective of a possible roll-out, reflecting instead line extensions the company recently launched. One of those is Hills Brothers Gold, ads for which feature actor Elliott Gould. Ober says the company pitches heavily to women 25-54.

CHOCK FULL O' NUTS

"We're in a market dominated by some real heavy-weights and we can't match them in dollars," comments Walter Taylor, marketing manager for the fourth-largest presence in the industry, Chock Full O' Nuts. As a result, he says, the company makes little use of tv or radio, putting a lot of its marketing emphasis on promotions such as couponing. Its target market is largely female, aged 25-49 years.

In 1984, Chock Full O' Nuts held a 5.3% share of the ground roasted market, according to John Maxwell. It also markets an instant and a decaf.

Though the company spends more ad dollars in stronghold markets, such as the New York City area, it is making an effort to spread the brand's name with two ads aimed at entry and established markets.

According to LNA, expenditures for 1984 totaled just over $800,000, most in spot tv. Media Records indicates newspaper dollars of $464,602 in 1984, with Radio Expenditure Reports showing a total of $375,160.

Chock Full O' Nuts is making a bigger effort to gain in the institutional side of sales, as are other marketers. Sales to food services and restaurants is something of a growth area for the industry due to the increased, out-of-home consumption of coffee. ■

THIS TOP 20 MARKET IS THE BEST BUY FROM TOP TO BOTTOM DOLLAR.

If you'd like to buy a top 20 market without paying for one, take a good look at Milwaukee.

Milwaukee's population places it 29th in the nation. But rank the MSAs according to adult newspaper readership, and Milwaukee rises to number 17.

That's because 76% of all Milwaukeeans read The Milwaukee Journal or Milwaukee Sentinel every day. No other newspaper combination delivers like that.

Call Wally Just, National Advertising Manager, at (414) 224-2472. And buy a top 20 market without spending your bottom dollar.

Source: 1985 Simmons – Scarborough Study

The Milwaukee Journal
Milwaukee Sentinel

POINT/COUNTERPOINT/

THE MEDIA BUYING QUANDARY

STROH: BEST OF BOTH WORLDS

Recently, so-called mega-mergers have renewed discussions on the pros and cons of client in-house media buying activity. I believe that, like many of our business questions, there are some valid points for both sides of the argument.

First and foremost, media expenditures represent the single, largest advertising expense for any client. Understandably, clients feel that large yearly cost increases without any increase in media delivery is unacceptable. Concerns about how these monies are spent and, in particular, the spiraling costs which substantially exceed the inflation rate can force clients to make changes in marketing tactics. Coupled with the frustration of these cost increases is the fact that advertising agencies receive what amounts to a pay increase due to these inflationary rates without adding staff or increasing, in any substantial form, the media services to the client.

I am certain more than one advertiser has pondered the question, "Does the agency really want to stop price increases or even reduce them," when this action, in effect, precludes that agency from increasing their revenues and profit potential. I believe these are logical questions that any thinking client would ask themselves, and given the magnitude of the dollars, they will investigate the situation including any and all options.

On the other hand, bringing media buying in-house has the potential for some pitfalls. Not unlike the problems that occur when creative is brought in-house, you have difficulty in getting the appropriate talent, particularly because that talent may consider the in-house position, be it media or creative, as a no-growth opportunity.

Consequently, clients may have to pay excessive amounts to acquire the experience, expertise and creativity they need in media buying or become a media training ground in an area that they have moved in-house because of the importance of the expenditures.

Further, there is the concern that the in-house buying service becomes more a reflection of individual management prejudice rather than providing objective media expertise.

Last but not least, there is a strong argument that an agency or agencies, while working for a client in their product/service category, are also working for other clients in other categories developing media approaches that may be applicable across category lines. Agencies reading the marketplace can bring that leverage to bear on behalf of an individual client.

At the Stroh Brewery Company, we believe that by forming the corporate media department some two and half years ago, we developed the ability to address the legitimate concerns about the expenditures, and, at the same time, the opportunity to use the creative services and inherent leverages that an advertising agency brings to the party.

The facts are that we are active in both approaches to media purchasing with Stroh Media Services, a wholly-owned subsidiary of the Stroh Brewery Company, which purchases all of the cooperative advertising that the brewery does on a market-by-market basis, as well as the out-of-home activities and coordination of our corporate print buys to achieve the maximum discounts that are available.

At the agency level, we have BBDO as our agency of record for our national telecast purchases, but each brand agency handles its own spot purchasing, plus the recommendation and selection of print to the brand management.

Corporate media reads the marketplace, calls on the agencies for creative media concepts, and coordinates all media activities to maximize the buying leverage on behalf of the company.

My belief is that we have a right and obligation to police every advertising expenditure activity and, at the same time, take advantage of the diversification, experience and imagination that comes from our various agency media departments.

David C. Martin is vice president of corporate media for Stroh Brewery and executive vice president of Stroh Media Services, Inc.

Our readers tell us . . .

There is much talk and activity these days about the tendency of advertisers to do more of the media placement job for their brands themselves, rather than awarding the assignment to a full-serivce agency. Many companies, large and small alike, are establishing their own in-house media departments to do the job and/or are using a media buying service. We are trying to gauge how widespread a trend this is and the reasons for it.

1. Does your firm buy any media in-house?

Yes 42.0%	**No 58.0%**

Base: 131

1a. If yes, which media are purchased?

Newspapers	**60.0%**

THE FULL-SERVICE ADVANTAGE

To argue why full-service agencies are best equipped to handle advertiser's needs, I need to discuss the failings of other options.

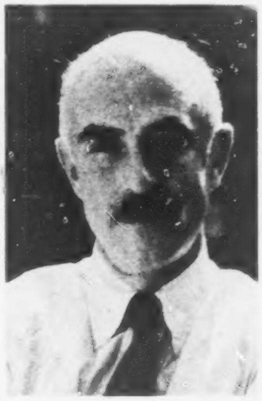
Clients establish in-house media departments on the premise that they will be more responsive and more efficient.

But are they really? In-house media groups exist in two forms: the full media department that has planning and buying duties, and the buying group that only executes the plan.

It is the rare in-house media group that can offer the experience necessary to stimulate the creativity of media people that makes for effective planning and buying. Too often, in-house groups do not even report to brand management and can be far less responsive than agency people whose livelihoods are on the line daily.

In-house groups do not offer the objectivity of an agency — the environment where fresh ideas are proffered without fear of rejection.

And what of protecting the client? An agency expert in the delicate art of broadcast negotiation is often the buffer to get the most for the money, without tarnishing a client's image.



As for cost cutting, many clients even admit that an in-house group may not save money.

Furthermore, the buying group, whether it's in-house or an outside service, often suffers from tunnel vision. The "I can get media cheaper" mentality ignores the value of planning and tight executions that are developed as part of a client's total communications plan.

Incidentally, the group may not even be able to get it cheaper. McCann has a perfect record in head-to-head efficiency comparisons, and I'm sure many of the major full-service agencies can make that claim. And McCann provides full and open accounting.

In summary, the full-service agency considers the communication of the ad message as a recipe where the ingredients are not as satisfying individually as they are together. The in-house media and inside and outside buying groups view the ingredients separately. While these challenges are born out of an advertiser's desire to save money, the full-service agency exists to make the most of that money.

Gordon Link is executive vice president, director of U.S.A. media at McCann-Erickson.

Magazines	72.7%
Network television	27.3%
Spot television	25.5%
Radio	32.7%
Outdoor	36.4%

Base: 55

2. Does your firm use a media buying service to buy any media?

Yes 9.9% No 90.1%

Base: 131

2a. If yes, which media are purchased?

Newspapers	38.5%
Magazines	30.8%
Network television	30.8%
Spot television	84.6%
Radio	61.5%
Outdoor	7.6%

Base: 13

3. If your firm does not presently buy media in-house or use a media buying service, is it considering doing either?

Yes 16.9% No 83.1%

Base: 65

3a. If "yes," which is it considering?

Starting an in-house buying operation	45.5%
Moving buying responsibility to a buying service	54.5%

Base: 11

3b. Is it likely the change will take place during 1986?

Yes 27.3% No 63.6%

N.A. 9.1%

Base: 11

3c. Please rate from 1 (not a prime consideration) to 10 (the deciding factor) your firm's reasons for considering a change.

	Average Rating
Greater control of placement	6
More creative placement	6
Cost savings	9
Increased clout	8
Better communications	6
Unified strategy	5

Base: 11

4. If your firm's present media buying is with a full-service agency, how would you appraise the job they do in strategizing, placing and negotiating media buys?

Excellent	26.4%
Good	55.7%
Fair	16.0%
Poor	1.9%

Base: 106

ECONOMIC EYE

RICHER MAGAZINES

Kevin Gruneich, vice president of research at First Boston, has lots of predictions regarding the magazine marketplace. Gruneich estimates magazine revenues should climb by 8% to 9% this year, a decided improvement over last year's lackluster 4.5%. But don't expect more than spotty improvements during the first quarter of 1986, Gruneich warns.

It won't be until well into the second quarter that magazines will again prosper, this analyst predicts. Magazine ad pages last year slipped by 3.3%, with business magazines showing the sharpest decline, off by 7.6%.

The magazine recovery should be stimulated by a healthy tv marketplace, he believes. "Led by very strong growth in spot and network tv at almost a double-digit rate, some of this money is bound to spill over into magazines. It should begin to have an effect soon," Gruneich forecasts.

Consumer magazines should regain business first, outpacing specialty books, he notes, because of favorable trends in typically heavy ad supporters of this medium. Propelling the growth of consumer magazines is increased advertising by soft drinks and airlines, he explains. Loads of new soft drink products are flooding the market and airlines should be advertising more because of continued fare-cutting, Gruneich notes. Domestic travel, in particular, he points out, should be more competitive as overseas terrorism causes sharp increases in U.S. vacations.

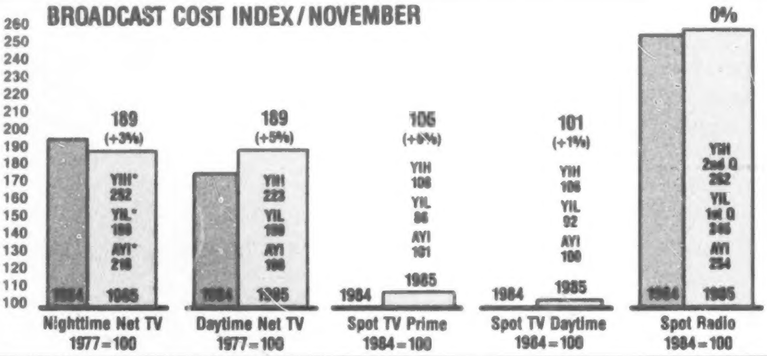
It could take longer for business magazines to regain their strength, Gruneich predicts, because of their particularly weak showing last year. *Business Week*, for example, was down 15% in pages and 8.5% in revenues and is still on a gradual decline the first quarter of the new year, he notes.

Rebecca Fannin

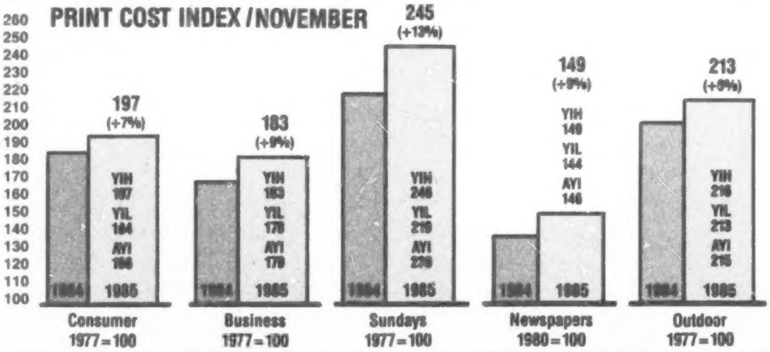
MAGAZINE AD SCOREBOARD	Ad Pages Jan. 1986	% change from Jan. 1985	Dollars spent (000)	% change from Jan. 1985
1. Skin care, Creams, Lotions and Oils	141.93	+30.46%	$ 4,572.0	+97.06%
2. Lip and Eye Beauty Products	45.67	+91.33	1,764.6	+251.28
3. Scents and Fragrances	39.94	+41.28	760.5	+43.33
4. Facial Makeup Products	32.57	−32.15	1,250.6	−.3
5. Liquor	186.81	−3.65	7,127.6	+4.4
6. Passenger Cars, Domestic	479.67	+30.99	21,067.2	+23.56
7. Passenger Cars, Imported	255.98	−19.5	11,432.0	−14.39
8. Cigarettes	574.81	−26.15	28,316.4	−17.9
9. Prepared Dinners and Entrees (including Pizza)	29.89	−10.0	1,375.3	−17.69
10. Soaps and Detergents	39.52	+12.46	2,665.8	+34.98

Source: Publishers Information Bureau as prepared by Leading National Advertisers

BROADCAST COST INDEX / NOVEMBER



PRINT COST INDEX / NOVEMBER



Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year. Percent change shows rate of change from the same month in previous year.

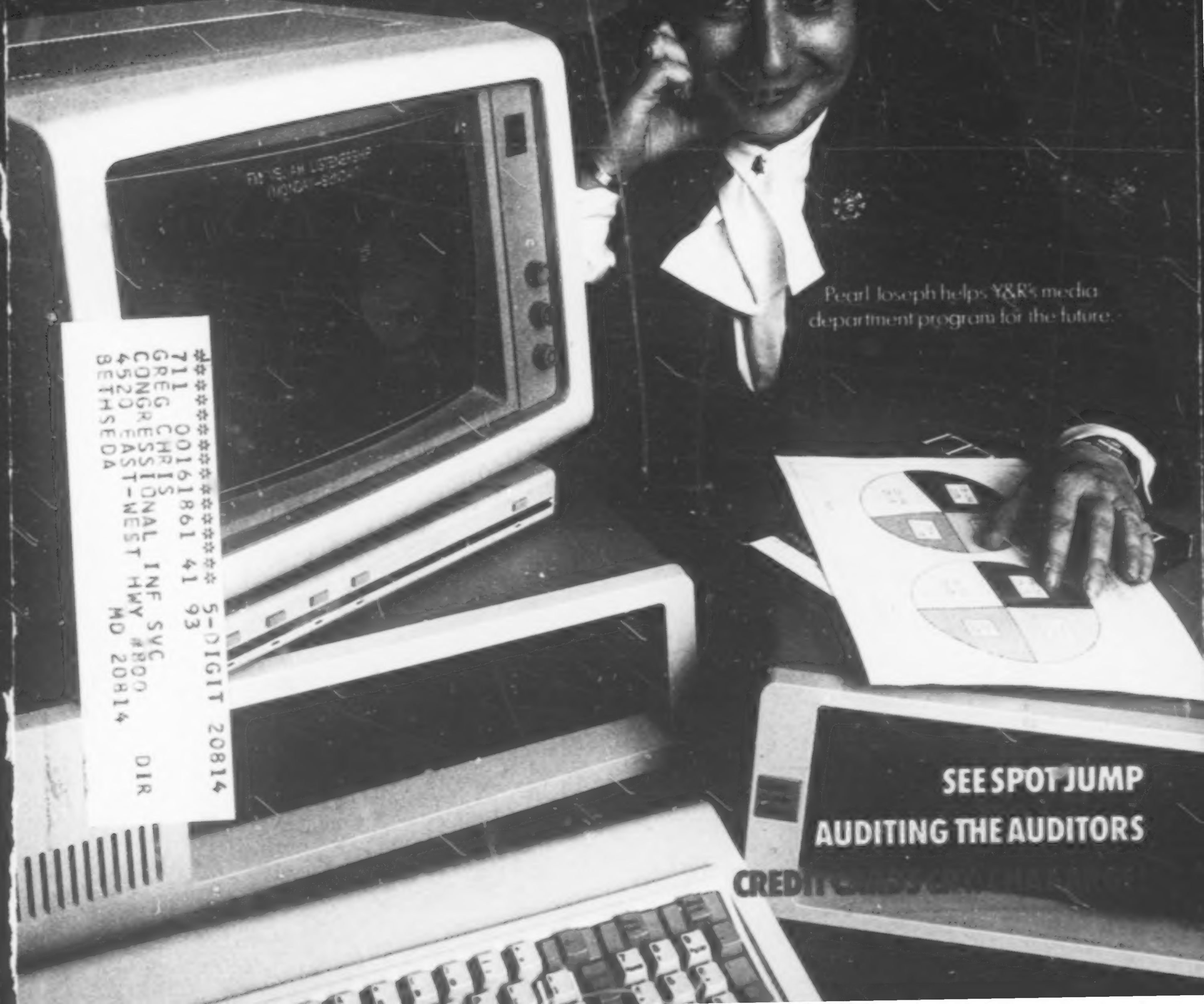
***YIH**=Yearly index high ***YIL**=Yearly index low
***AYI**=Average 1985 index

C2950-3

MARKETING & MEDIA DECISIONS

MEDIA'S MICRO AGE

THE PC CHANGES ALL THE RULES



Pearl Joseph helps Y&R's media department program for the future.

############## 5-DIGIT 20814
711 00161861 41 93
GREG CHRIS
CONGRESSIONAL INF SVC DIR
4520 EAST-WEST HWY #800
BETHSEDA MD 20814

SEE SPOT JUMP

AUDITING THE AUDITORS

CRED

MARKETING & MEDIA DECISIONS

COVER STORY

COMPUTERS' SECOND COMING 34

Finally, the personal computer is beginning to live up to its promise of revolutionizing the media department. Agencies are thinking creatively and doing more themselves, leaving the on-line services to redefine their role in servicing the agencies' needs.

FEATURES

PICTURE THIS 55

Eastman Kodak has had a difficult time lately getting itself focused on the new needs of the markets. Now they are zooming in with a series of new products, including a fully automatic 35mm camera.

SEE SPOT JUMP 65

A combination of tight budgets and the movement towards regional thinking made spot tv the hottest media category in 1985. Clorox, Campbell Soup, Kraft and Procter & Gamble are some of the companies which are increasingly turning to local media — particularly spot tv — to help do the job.

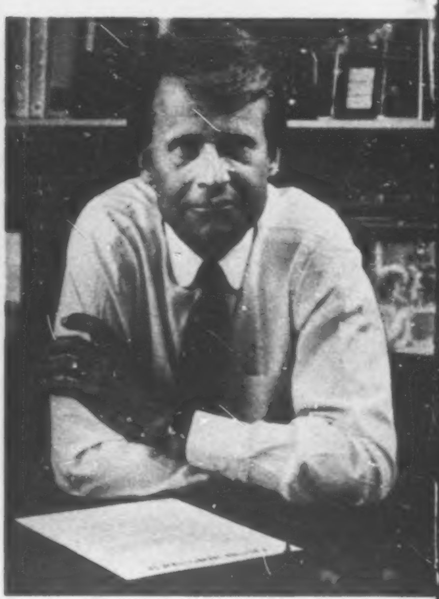
AUDIT PLAUDITS AND PANS 73

Now that the dust has settled in the latest skirmish between the Audit Bureau of Circulations and its newspaper members, it's time to audit the auditors.

FORMAT FOR CHANGE 85

All signs point to the aging of the radio listening audience, except one — the type of formats available to this group as they search the dial.

HEALTHY COMPETITION: THE HUMAN TOUCH 96



Healthcare is becoming a big consumer business, and Humana Inc. is out to take advantage of the trend by offering segmented services to the public under the Humana umbrella.

FEELING THE PULSE 97

The nation's largest hospital management company, Hospital Corp. of America, is said to be 18 months behind Humana in the consumer marketplace — but maybe not for long.

BRAND REPORT 132: CREDIT CARDS 117

The sky appears to be the limit when it comes to the use of credit cards, and card marketers are getting ever-more sophisticated in their approaches to convince the consumer to please sign on the dotted line.

DEPARTMENTS

PRO FILES 4

Dennis Swanson now has the ball at ABC Sports and he's prepared to play tough to reach his goals.

UPDATE 8

It's check-up time in the toothpaste wars, where we find Colgate's Dentagard introducing a tartar-control formula to try and meet the on-going challenge from arch rival, Crest.

DIRECT MARKETING 10

Data base management makes the most of direct-mail prospects.

PRINT BEAT 17

Meredith will test a newsstand magazine called *Grandparents,* and a Midwest regional as yet untitled.

CREATIVE CONCEPTS 20

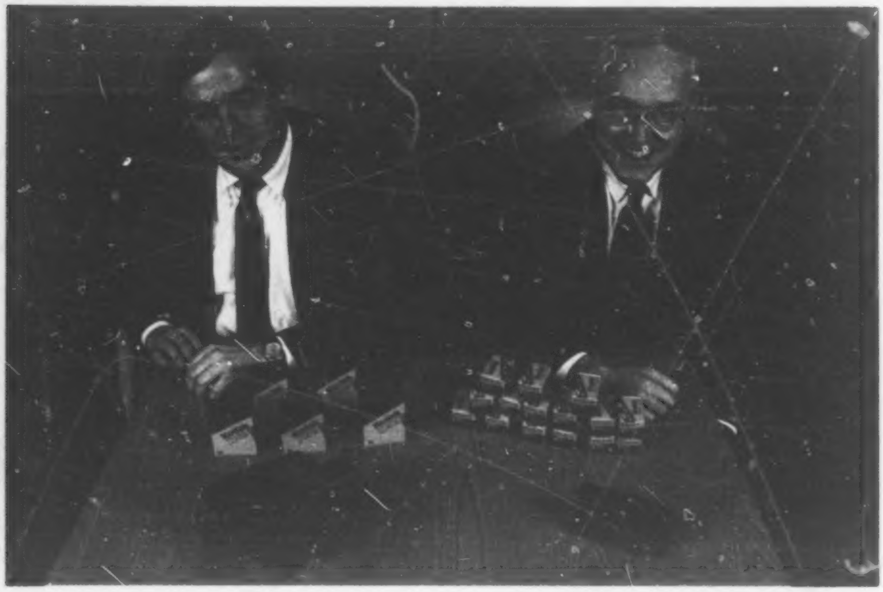
W.R. Grace may have been too dramatic in its tv efforts on the deficit issue — they can't get the spot aired.

DEBUT 24

Time Inc. thinks small to develop new magazines aimed at very specific — and rich — markets. On the trade side, Thomas Publishing is taking the wraps off of its automation magazine.

April 1986, Vol. 21, No.5

Cover photograph by Larry Barns



FREEZE FRAME 30

The Weather Channel can tag national ads with local dealership information, thanks to its computer system. HBO is kissing the hand that feeds it with trailers for upcoming releases.

LETTERS 32

Outdoor thoughts, and some kind words about our new look.

ON THE DOCKET 136

Wally Snyder appraises the ad tax ax that hangs over the industry, while Ann Lallande dishes up the talk on the satellite dish industry.

BROADCAST BEAT 143

Clifford A. Botway, chairman of the Botway Group, a media buying service, shares his 10-year projections.

POINT/COUNTERPOINT/POLL 146

Should magazine ad rates be negotiated? The majority of our readers think so, as does Lou Schultz of Campbell-Ewald. Scali, McCabe's Mike Ephron, while admitting some changes are needed, takes the opposing view.

ECONOMIC EYE 148

The Media Cost Index; LNA flash figures for magazines; and Fred Anschel sizes up the agency stock outlook.

TOOLS OF THE TRADE 150

A new effort at through-the-book measurement of trade magazines may lead to a truly syndicated study for the metalworking industry.

SALES PROMOTION 156

The coupon news is still good, but 1985 saw a slowing of the growth of this promotional tactic. Russ Bowman summarizes the latest facts on the field.

THE LAST WORD 160

Valarie Zeithaml of Texas A&M University finds both danger and opportunity in market fragmentation.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 103

Zapping is a very real problem, but all the hype is not going to help.

NEWSPAPERS *Debbie Solomon* 105

Newspaper readership continues to decline, but nearly two-thirds of the population still read a paper each day.

TELEVISION *Donna Campanella* 106

The 15-second commercial demands that media and creative must work closer together.

MARKETING *John Michelet* 108

Isn't it about time that the advertising industry established a code of ethics and an accreditation system?

MAGAZINES *Gerry Eilers* 110

All too often, media reps miss the chance to really work with an agency with merchandising.

RESEARCH *Hugh O'Brien* 114

Competitive expenditure reports may fall short of giving you the information you most need to help your client.

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of related product commercials in an umbrella situation — like having breakfast, grooming, travelling, home repair, fitness, etc.

In any event, the encouraging thing so far is that zapping is not nearly the problem it might be. The discouraging thing is that so little solid research on commercial concept testing is being done to anticipate a situation when zapping does, in fact, become a real headache. As usual, the advertising industry is making lots of speeches warning of impending doom without planning ahead to prevent the problem before it surfaces. If zapping develops into a problem, an advertiser's commercials, not the programs, will be ignored. Surely this is one threat that deserves to be taken more seriously, if for no other reason than enlightened self-interest. Zapping is not simply a media buying problem; it's an advertising effectiveness problem. Shouldn't we be hearing more about it from the latter point of view? ■

NEWSPAPERS

by Debbie Solomon
Media research director,
Leo Burnett

TRENDS IN NEWSPAPER READERSHIP

A great deal has been written about falling newspaper circulation and failing major metro newspapers. Since 1973, over 100 major newspapers have gone out of business and most of these demises have been heavily publicized.

1—PERCENT OF ADULTS READING A NEWSPAPER, BY DEMOGRAPHICS

	1973	1980	1983	1985
Total Adults	73.4%	66.9%	66.3%	64.2%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Age				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Education				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Household Income				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Occupation				
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
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[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

What hasn't been noted as much is whether newspaper readership is also affected. A review of readership levels since 1973 as reported in Simmons Study of Media and Markets shows that newspaper reading has been on a slow, gradual decline. In addition, this decline is occurring across all demographic groups.

Overall Readership

Nearly 75% of the adult population read a daily newspaper on the average day in 1973. Ten years later, in 1983, this dropped to 66.3% and it continued to fall to 64.2% in 1985. Men have consistently been slightly heavier newspaper readers than women and there has been a little less of a decline in male readership levels.

Age

Newspaper reading varies by age. Since 1973, 55- to 64-year-olds have been the heaviest newspaper readers

2—PERCENT OF ADULTS READING A NEWSPAPER, BY LOCATION

	1973	1980	1983	1985
Census Region				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
County Size				
A	[illegible]	[illegible]	[illegible]	[illegible]
B	[illegible]	[illegible]	[illegible]	[illegible]
C	[illegible]	[illegible]	[illegible]	[illegible]
D	[illegible]	[illegible]	[illegible]	[illegible]
Locality Type				
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

while 18- to 34-year-olds have been the lightest. Readership has declined at a similar rate among all the age groups.

Education

Needless to say, as education levels increase, newspaper readership increases. Over 78% of college graduates read a daily newspaper in 1985 while only 54% of those who attended but didn't graduate from high school were readers.

In both cases readership was down since 1973, but it declined more among people with less education.

Income

People with higher incomes are more likely to read newspapers; 81.2% of those with household incomes of $30,000 or more read a daily newspaper on the average day in 1985. This can be compared to 70% or less for the lower income groups. In addition, newspaper readership has declined only slightly among the $30,000+ group while it's declined to a much greater extent among those earning less than $30,000.

Occupation

Since 1980, the heaviest readers of newspapers have been managers and administrators. Almost 80% of this group were newspaper readers in 1985. Of all the occupational categories, this group has also showed the smallest decline. (See Chart 1 on page 104.)

Census Region

Newspaper readership is strongest in the Northeast. While the North Central States also have high readership levels, the decline in readership has been most dramatic in this region.

County Size

Readership levels have been similar in A and B counties over the 12 years examined. These counties represent the larger cities. In C and D counties, which represent small towns and rural areas, respectively, newspaper readership has declined much more.

Locality Type

In 1973, newspaper readership was fairly even among the city dwellers, suburbanites and people in non-metro areas, with suburbanites having a slight edge.

By 1985, readership levels dropped tremendously in the non-metro areas but didn't change nearly as much in the city and suburbs. (See Chart 2 above.)

This study has shown small but consistent declines in newspaper readership. Despite these declines, it's important to note that nearly two-thirds of the population does read a newspaper on the average day. This is still a very large segment of the population and it attests to the overall strength of the medium. ■

TELEVISION

by Donna Campanella

Vice president, media director, Cato Johnson/New York

TO HALVE AND HAVE NOT

The jury is still out on 15-second commercials. The networks have opened the doors for the use of split :30's and even stand alone as :15's. The research is in which states that :15's are about two-thirds as effective as :30's. The CPM's are on target, making 15-second units very efficient. But there isn't an overwhelming clamor to purchase :15's. Why? Let's take a step back.

At first glance, it appears that :15's are the fastest-growing ad form. The Television Bureau of Advertising reports an 85.2% increase in the short-form commercial in the first nine months of 1985 over the same period in 1984. While :15's are on the increase, they still represent a small percentage of the total commercials aired. About 452 :15's, or 9%, appear each week on the networks vs. 4,307 :30's. Thus, while many companies are experimenting with :15's, several others are taking a wait-and-see attitude.

Some may be waiting for more indepth research on the effectiveness of :15's. A number of research studies have been conducted, among them the ABC/J. Walter Thompson and McCollum Spielman Studies. Both indicate that shorter length commercials are technically more efficient on the basis of memorability. A :15 will score

BRAND REPORT

NO. 132: CREDIT CARDS

PLASTIC BINGE

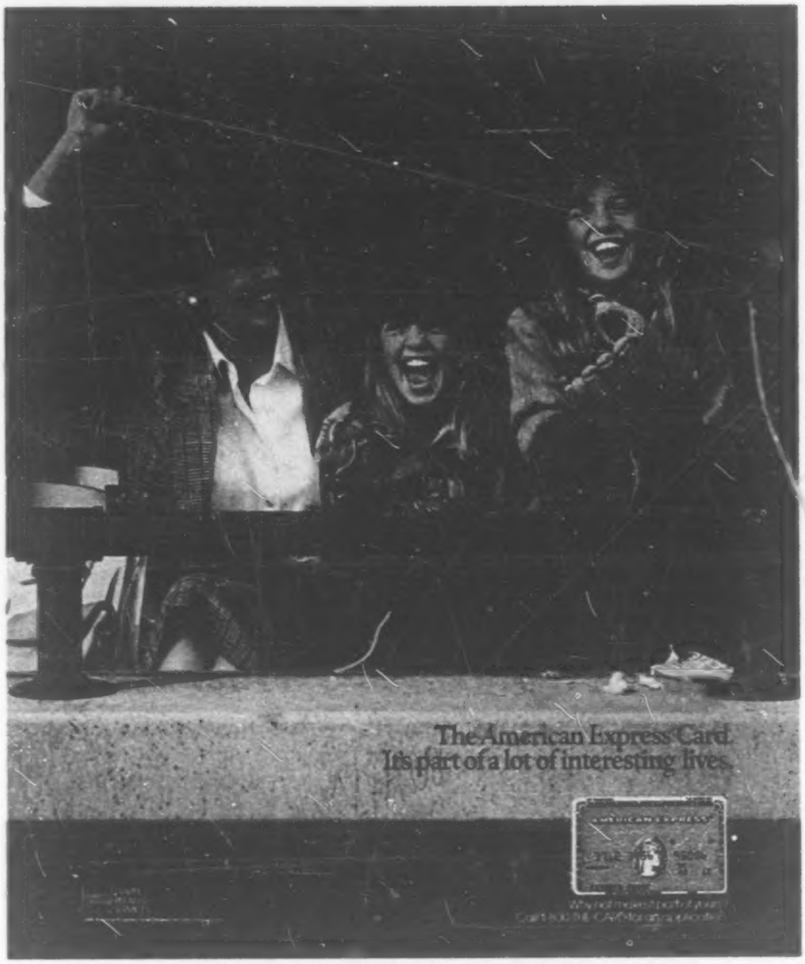
by Carol Hall

What goes up must come down, right? Tell that to the marketers in the credit card business.

As though it had been extended a limitless debt ceiling, the whole credit card industry is in a sort of wild growth mode. New cards continue to be rolled out and marketing expenditures, for old and new plastic, are on the rise. Card interest rates are higher than ever, making cards even more profitable for issuing banks and costly for consumers.

But consumers don't seem to care—they're charging more than ever on an ever-widening panopoly of cards. "The use of cards is becoming even more a way of life," notes John H. Bennett, senior vice president of marketing at Visa U.S.A. Inc., most happily. "Probably what's losing out is payment in the form of cash."

Card "enhancements," or special features, are proving a favorite marketing tool. Gone are the days when card registration (one company notifies issuers of *all* a customer's cards if they are lost) was seen as a big deal. Now various cards can secure hotel rooms at a discount, pay off long-distance phone bills, even insure the holder against death or dismemberment on public transportation.


The American Express Card.
It's part of a lot of interesting lives.

Trying to fine tune its targeting: "Interesting Lives" from Amex.

And, as more and more frills are added onto existing cards, the industry itself is showing signs of evolving. Marketers like Sears are launching cards that offer a full range of financial services in addition to more common card uses. While there's still plenty of money to be made from card fees and interest charges, a real bonanza awaits marketers who tie their plastic into a wide range of expensive services, be they financial or retail (shop-by-phone, for example). "The world of plastic is really changing," proclaims Elgie Holstein, associate director of Bankcard Holders of America. "Cards have come a long way from the 'charge plates' they once were, more than just a means of accessing a revolving loan."

The average consumer's wallet bulges with about seven credit cards. That's not surprising considering there are 703 million cards in circulation, according to Bankcard Holders of America. That accounts for all the bank cards, like MasterCard and Visa, travel and entertainment cards like American Express and a host of retail cards issued by individual stores. Sharon Hollander, a partner at Solutions Marketing Reseach — a company that's done testing on credit card images — offers a somewhat stark assessment of all this. "We are experiencing a resurgence of traditional values and we're returning to the values that have to do with money," she says. "We're hungry and credit cards provide immediate gratification."

But, claims Michael Weinstein of *American Banker*, a trade publication, "The market is very close to saturation. There's just a limit to how much credit can be extended." But is there? Shoppers uttered the cry of "chaaaaarge it!" 25% more last year than in 1984, racking up a total bill of $331 billion on their cards. Even though 30% of card carriers pay their bills immediately, delinquent accounts — those that pay nothing on their balances — are at an all time high. The American Bankers Association says 1985 ended with banks holding the bag for about $2 billion in delinquent, or deadbeat, bank card billings.

Yet plastic purveyors continue to increase marketing efforts that are not only aimed at getting people to charge more on the cards they have, but encourage people to sign up for new cards.

At the same time issuers are stepping up card advertising and stuffing post boxes with direct-mail pitches as never before, some are also relaxing once-tough standards for card approval. Losses on cards are rising, due in large part to mailings that somewhat indiscriminantly blanket an area with applications — and sometimes pre-approved cards. As a result, prison inmates, jobless teens and, in a few cases, family pets have been awarded pre-approved plastic in the mail "It's fair to say that the credit review process is strained at the seams due to these marketing campaigns," concludes SMR's Holstein.

Problems or no, aggressive pitches to use more cards as payment vehicles are likely to continue. "The banks are making nice money on their cards," observes Weinstein. That's something of an understatement. With interest rates averaging 18.8%, the banks are indeed doing well. The money they buy from the Federal Reserve has dropped to below 8%. Lenders collected between $8 billion to $12 billion in interest on cards in 1985.

Those who issue cards that are technically *not* credit — or "revolving" — cards are making out handsomely, too. American Express dominates that segment of industry by a large margin. Its profits come from annual fees it charges cardholders, as well the 2.5% to 3% rate it charges merchants per transaction. And with recent reports that inflation is under control again, marketers know that the familiar slip-slide of the credit card machine will occur even more often.

CREDIT CARD MARKETERS' MEDIA EXPENDITURES JANUARY-SEPTEMBER 1985 (000)

COMPANY	TOTAL	MAGS	NET TV	SPOT TV	OUTDOOR	SUNDAY MAGAZINES	NET RADIO	CABLE TV
BANK CARDS								
MASTERCARD	$16,232.6	$2,309.1	$11,754.9	$1,919.3	–	–	–	$249.3
VISA	15,600.4	5,454.2	7,369.8	176.7	79.7	–	2,466.4	53.6
DISCOVER	401.1	197.9	–	203.2	–	–	–	–
TRAVEL & ENTERTAINMENT CARDS								
AMERICAN EXPRESS	41,740.4	17,401.4	16,031.0	7,493.2	13.3	583.6	–	217.9
DINERS CLUB	6,643.6	3,765.3	–	2,496.4	49.5	–	–	332.4
AMOCO MULTICARD	*							
SHELL	*							

Source: Leading National Advertisers; Newspaper figures for this period not available.

*No figures reported

BANKCARDS

The giant bank cards, Visa and MasterCard, have been around so long and accumulated so many cardholders that the common feeling is, as an outsider put it, "they can afford to sit back, be lazy and let the cards market themselves."

That kind of talk, though, might be like waving a red flag in front of Visa and Master marketers, both of whom have recently launched new advertising assaults. The campaigns — Master's is from William Esty Co. and Visa's from BBDO International Inc. — are, in both cases, appearing heavily on network tv and in national print. The pitches are referred to as "umbrella advertising" and are really image-oriented spiels, designed to convey a lifestlye idea.

Motorland

Northern California's Showcase Magazine for Travel

Motorland represents a travel market that is, by any definition, far above the average in demographic excellence. Multiply this excellence by 1.6 million paid subscribers and it represents a level of efficiency and quality unequalled by any consumer magazine in the West.

The Motorland Market–Where The Money Is.

Californians make up 10 percent of America's population, earn nearly 12 percent of its income, account for 13 percent of its retail sales and spend nearly 15 percent of its travel dollars. And Northern California, Motorland's primary market area, is the richest half. Per capita income in Northern California is nearly 19 percent higher than the state's average, and retail sales are 14 percent higher.

California's Best Prospects

	INDEX
Professional	193
Home value, $75,000+	292
Own passport	304
Took foreign air trip (past three years)	239
Own 2+ cars bought new	152
Stock Portfolio $50,000+	231

Source: 1984 MRI double base SF ADI

Your advertisement in **Motorland** works to produce travel sales regardless of destination whether by air, land or sea. **Motorland** subscribers represent 44 percent of all passport holders in the San Francisco ADI. They also account for more than 40 percent of all adults who took any domestic or foreign trips in the past three years.

Motorland Penetration of the San Francisco ADI:

Past Year:

Took 3+ domestic trips	38%
Took 3+ domestic air trips	45%
Spent 6+ nights in a hotel	47%
Have a T&E card	43%
Bought travelers checks	43%
Bought 35 mm film	44%

Source: 1984 MRI double base SF ADI

Clearly, **Motorland** is the magazine of choice when it comes to reaching important travel prospects. For a complete media kit or more information, call Keith Radcliffe, Advertising Manager, collect, at 415/565-2454.

Motorland

TRAVEL AND NEWS MAGAZINE OF THE WESTERN MOTORIST
150 Van Ness Avenue, San Francisco, CA 94101

Member ABC Audit Bureau of Circulations

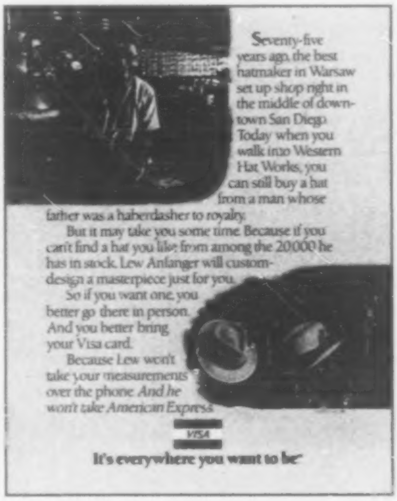
But the bulk of the marketing burden falls on the issuing banks. "The most effective marketing tool we have is our member base," says Visa's John Bennett. "The banks acquire the cardholders." They do this, in terms of advertising, with heavy use of local tv and newspapers targeted to their regions. Their marketing leverage comes in the form of annual fees — to charge or not to charge customers — interest rates and, of course, card enhancements.

Last fall Manufacturers Hanover went after new card customers by lowering the rate on its cards to 17.8% from 19.8%, the first major bank to do so in four years. But so far, other banks haven't stampeded to follow its lead.

VISA

While similarities in their services and past marketing efforts make it tempting to think of the two biggest bank cards as one, their new strategies strive to make the differences more apparent. Visa, however, is also setting its sights on a giant non-bank card competitor, American Express.

"We have focused in our current campaign on what I'd call setting the record straight," explains John Bennett of Visa, the company that's king of the cards with 140 million holders worldwide, 93 million in the U.S. "Consumers have been mislead by some other players, especially American Express, into thinking their cards are the only viable alternative to cash."



Seventy-five years ago, the best hatmaker in Warsaw set up shop right in the middle of downtown San Diego. Today when you walk into Western Hat Works, you can still buy a hat from a man whose father was a haberdasher to royalty.

But it may take you some time. Because if you can't find a hat you like from among the 20,000 he has in stock, Lew Anfanger will custom-design a masterpiece just for you.

So if you want one, you better go there in person. And you better bring your Visa card.

Because Lew won't take your measurements over the phone. *And he won't take American Express.*

Visa's on the offensive, aiming its ad barbs at American Express.

The card's new umbrella campaign shows it being used at a variety of out-of-the-way (but upscale) places and it tells consumers to "Bring your Visa card, 'cause they don't take American Express." Visa does have the advantage when it comes to the number of merchant outlets accepting its card: 4.7 million worldwide. "And those aren't just mom and pop gift shops," Bennett huffs.

In October, the company launched the new "Visa . . . It's everywhere you want to be" campaign to push its regular, or "Classic" card and more upscale "Premier" card (of which there are about five million holders). Bennett admits Visa's target market cuts a wide swath: 25- to 54-years-old, annual income of $15,000 or more, dwelling in A and B counties. But, he says, the card is now being pitched more to the heavy user. "We want the customer who'll use it for higher ticket items and use it more often," he says. And that could help boost Visa charge volume beyond the $165 billion (worldwide) it registered in '85.

VISA
It's everywhere you want to be.

Visa vies for a bigger piece of the more upscale T&E market.

Visa's past campaigns have been far less pointed, so much so that they're hard to remember. "Our other campaigns *were* a lot softer and didn't take direct aim at competition," Bennett explains. "But it was a different era; it wasn't so competitive."

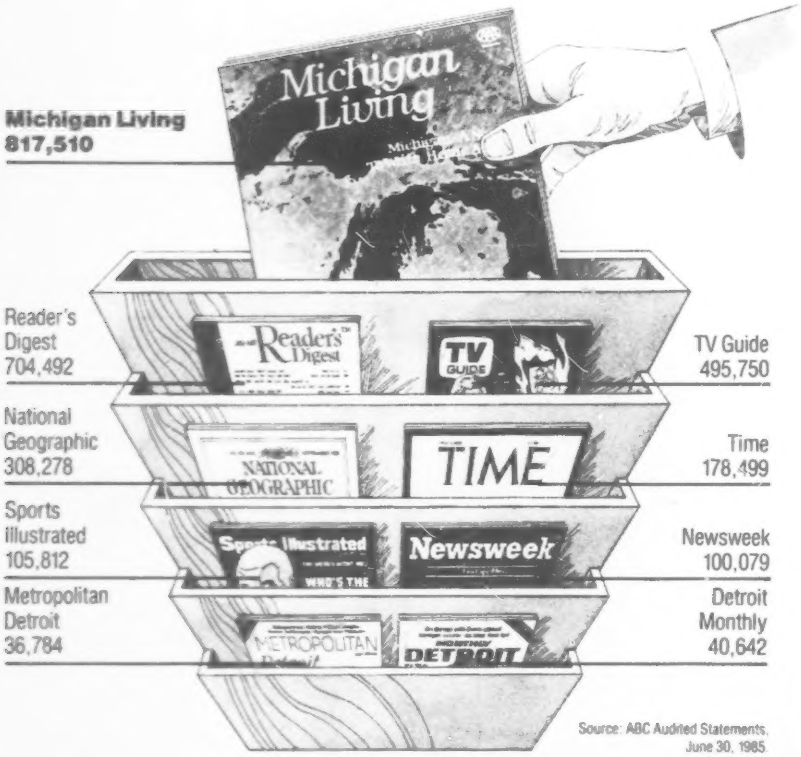
Bennett says Visa's spending on the campaign will be in the $20 million to $40 million range through 1986. The company will make a pitch to the trade primarily through *American Banker* magazine. When Visa's three, new 30-second tv ads aired last fall, the aim was to expose 90% of the target audience to the new message within the first two weeks. The frequency has been cut back and, currently, the commercials are airing on prime time slots such as *Dynasty*, *St. Elsewhere* and *Hotel*. Late night slots include *David Letterman* and the *Tonight Show*. The

LEADER OF THE RACK

Michigan's largest magazine circulation base belongs to *Michigan Living*. Each month, our pages reach an affluent, educated audience that clips coupons, dials toll-free numbers and places orders the day their issues arrive. Your cost per thousand? Only $9.85 for color; just $8.21 for black and white. So start racking up your own results.

Discover the potential of *Michigan Living*. For rates and editorial, call your local sales representative or *Michigan Living* at 313-336-1516.

Michigan Living
Michigan's best read magazine.


Michigan Living
817,510
Reader's Digest
704,492
TV Guide
495,750
National Geographic
308,278
Time
178,499
Sports Illustrated
105,812
Newsweek
100,079
Metropolitan Detroit
36,784
Detroit Monthly
40,642
Michigan Living
Reader's Digest
TV Guide
National Geographic
TIME
Sports Illustrated
Newsweek
Metropolitan Detroit
Detroit

Source: ABC Audited Statements, June 30, 1985.

MasterCard's new campaign: credit card as expression of individuality.

list of print buys isn't extensive, but is wide-ranging. Titles bought include *Bon Appetit, Gentlemen's Quarterly, Glamour, Money, Omni, People* and *National Geographic*.

MASTERCARD

Marketing for the red and ochre MasterCard has gone from pushing lifestyle — "So worldly, so welcome" — to individuality in an effort to boost membership. Master currently has 120 million subscribers worldwide. According to Mastercard International Inc., its new "Master the possibilities" campaign, launched at the end of February, aims to buck the status-conscious, conformist imagery of other cards.

According to John S. Cunningham, executive vice president of marketing, the "Worldly" campaign had an "international travel and status appeal. We felt that talking about all the sizzle was stretching our credibility somewhat." He adds that market research led the company to believe that "there has been a fundamental shift in consumer values." That shift, he says, translates into their campaign that de-emphasizes status and flash, and makes MasterCard out to be the card that's "hard working, a good practical value that does the things you expect it to do."

The campaign uses a handful of celebrity spokespeople who are, for the most part, new to product pitching and who are seen as embodiments of individualism. Tv ads feature the likes of John Huston, Robert Duvall and Angela Lansbury who, in her spot, asserts: "Life's too short to worry about impressing other people . . . Have you ever been really impressed by a person's credit card?"

The company is spending what outsiders estimate to be about $40 million — a figure Cunningham doesn't deny — to advertise this new plastic philosophy. That's quite a jump from the nearly $17 million LNA shows them spending from January through September of 1985. Media buys are strictly tv and include late night shows such as *The Tonight Show* and *Nightline*, major sports broadcasts like the World Series and U.S. Open. Other buys include *Good Morning America, Today, 60 Minutes*, Sunday night movies and *Golden Girls*.

Despite its pooh-poohing of status cards, MasterCard does offer a gold card and is running a separate print campaign for it. The ads feature a group of faces bound to catch upscale eyes: John Huston, Twyla Tharp and Andre Previn. They will appear, beginning this month, in *Forbes, Business Week, Gourmet, Time, Natural History, Golf Digest* and *Sports Illustrated*.

And this "thinking man's" card campaign has another twist to it. As of February, MasterCard is also running a more unusual series of print ads in banking and financial books. The ads are actually a series of short essays by sociologists and "futurists" that deal with subjects like "Individual Responsibility" and "Real Value."

"Master the possibilities" will also include radio buys, the first for MasterCard in eight years.

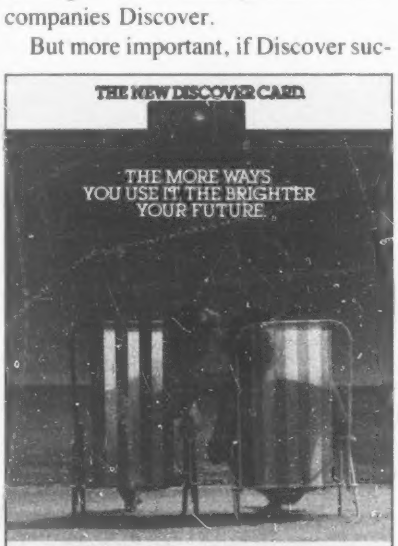
SEARS

Many think that Sears is leading the charge into the future with its new Discover card, officially launched January 23 in print ads. But they also think Sears is taking a huge risk by being the first company to launch a major new credit card in twenty years. Sears is spending what some guess is at least $40 million on the introduction. The giant marketer itself announced it expects to post $115 million in after-tax losses this year due to launch, advertising and fraud costs.

Yet, Sears thinks the gamble will pay off. "Clearly we think there's an opportunity to reach people who've never considered owning a card before," says a Sears spokesman. "But that's not to say that we aren't going after the existing universe of cardholders in an effort to obtain part of an existing market share."

Discover can be used as a regular credit card (it's already found 200,000 companies willing to accept it). So Sears expects to rake in profits from the high 19.8% interest rate that accompanies Discover.

But more important, if Discover suc-


THE NEW DISCOVER CARD
THE MORE WAYS YOU USE IT THE BRIGHTER YOUR FUTURE.

Can Sears find room for yet another card in consumers' wallets?

ceeds, it will have enabled Sears to tap into a huge consumer base, a prospective market for its growing list of more lucrative financial services that include banking, investment and insurance. "That's where the big money is," comments one observer.

Though Sears won't say how many cardholders it has snared so far, it does say the application rate is 400% above expectations. That response is why the company launched the card in January, four months earlier than planned. Some estimate Sears will eventually pull in 10 million to 15 million Discover accounts.

This year, in a series of direct mailings, Sears will be soliciting 25 million people who already hold Sears store cards. About 1.5 million pre-approved applications will be mailed each week March through May, with a break for summer, than picked up again in fall. No card ownership fee will be charged for at least the first two years, the company says.

The television launch for Discover came on two, one-minute spots during the Super Bowl. Though Sears won't outline its media plan in detail, it plans to run its "Dawn of Discover" spots, from J. Walter Thompson U.S.A. Inc., on an array of prime time and news shows. Newspaper ads followed the January launch for a two-week period, with ads running in the *Wall Street Journal, USA Today, The New York Times* and the *Los Angeles Times*. Current print buys include *People, Business Week, Newsweek* and *Time*.

A Sears spokesman says the card, issued by a Sears-owned Delaware bank, is not targeted to a travel and entertainment market. "Its target market is as broad as the Sears market — but I don't want anyone to get the impression that it's a low credit-rating card," he says. It's a market some say, that includes incomes as low as $15,000.

Some think the card may be a risk for Sears in another way. Sears has never had to deal with a third party in a credit transaction — in the form of outside merchants. But, says Michael Weinstein, "Sears knows and understands the concerns of merchants." Indeed, among the merchants it has signed up is competitor Montgomery Ward.

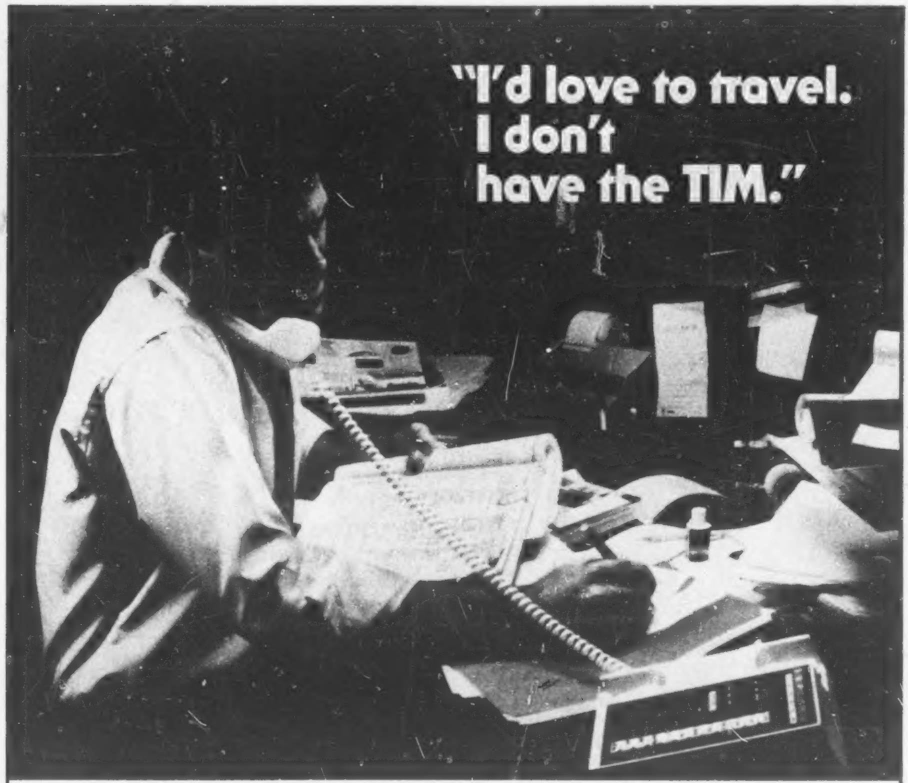
TRAVEL AND ENTERTAINMENT CARDS

AMERICAN EXPRESS

American Express, universally acclaimed as the marketer that made plastic seem classy, is the third-largest presence in the industry with 22.2 million cardholders worldwide at the end of 1985. Of those, 16.3 million of those were U.S. card carriers, a jump from the 15 million at the end of 1984.

Offering "pay as you go" charge cards, not credit cards (though some revolving credit is available on gold cards through affiliated banks) Amex attracts that category of card holder called the "convenience user."

Unlike the Visa or MasterCard for which banks can raise, lower or eliminate the fee as part of their marketing leverage, Amex charges a fixed, annual fee for its three cards. The green card, around since 1958, bills $45 per holder per year. The tonier gold card, which the company pitches to the prospective holder by urging "Come into your ele-


"I'd love to travel.
I don't
have the TIM."

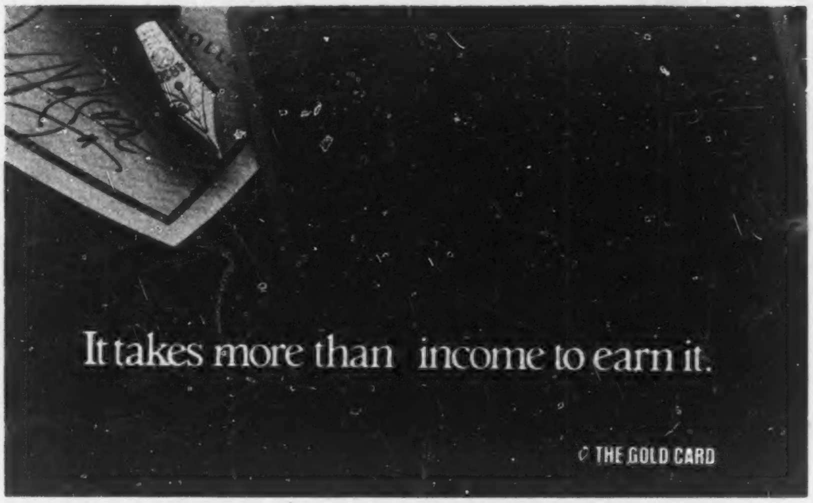
Travel takes TIM—Time, Inclination and Money. Many hardworking business and professional people have the last two, but can't spare the time. Travel-Holiday readers, however, have all three. Our 2.1 million mature adults average 11.6 domestic and 1.6 international trips annually. They spend over a month away each year! Reach people with the TIM to travel by putting Travel-Holiday to work for you. For our new media kit, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money.
Our readers have it.

TRAVEL-HOLIDAY

GOT A COMET BY THE TAIL
Where to Tame

*Source: Erdos & Morgan, 1985.

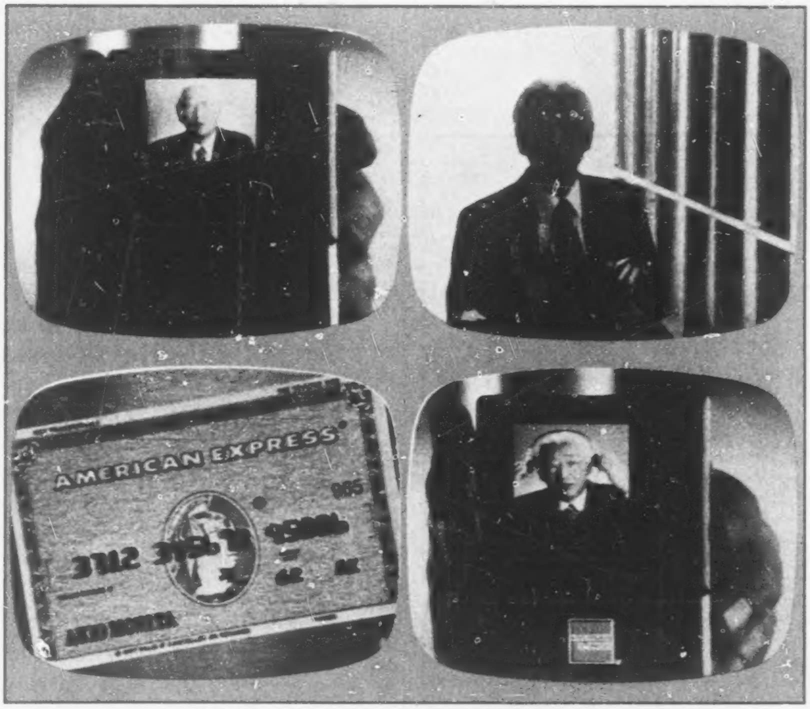


Classy plastic from the company that started the gold rush.

ment," goes for $65.

And the platinum card, the card the company is trying to market as the ultimate in plastic status by almost daring consumers to "Acquire it," runs $250. Introduced in late 1984, industry sources put the number of platinum carriers at about 60,000-70,000. Amex says that two-thirds of these "grey card" holders are entrepreneurs or people that own their own business; average age is 45 years with a household income of over $100,000. This segment also travels frequently for business and pleasure, taking more than 50 overnight trips a year.

American Express does a vast amount of corporate advertising — which certainly has its effect on card sales. But each card also has its own marketing programs. With a market that is about 75% male, with an annual income of $25,000+, the green card is largely advertised on national tv. Buys run across the board: prime time, weekend sports, late night and specials. The ad message in the tv spots is more general than what appears in print. The latter, emphasizing green-card services, appears in books including *Chicago* magazine, *Texas Monthly, Sports Illustrated, Food & Wine, The*



"Do you know me?" didn't strike a chord with many women.

OUR SPECIALS WILL KNOCK YOU OUT, AND MAKE YOU SEE STARS.

With stars like Willie Nelson, Ray Charles,

George Strait, Barbara Mandrell, and Rosanne Cash,

our specials have scored some of our highest ratings ever.* Turn us on. Our stars can light up your sales.

THE NASHVILLE NETWORK.
AMERICA'S COUNTRY HOME
© GROUP W SATELLITE COMMUNICATIONS 1986
*RATINGS INFORMATION AVAILABLE UPON REQUEST.
FOR MORE INFORMATION CALL 1-800-243-9141.
GEORGE STRAIT, MCA RECORDS.
ROSANNE CASH, CBS RECORDS.

Economist, Business Week, and *U.S. News and World Report.*

Gold card customers are, again, largely male (about 80%) and have annual incomes in the $35,000 to $40,000 range. Amex pitched gold exclusively in print — mostly two-page spreads — until this year. It has since taken gold onto cable tv with 15-second spots on CNN, ESPN, Arts & Entertainment and SNN. "We feel network [tv] is too broad-based for the message we want to communicate," says Travel Related Services' senior vice president of marketing, Diane Shaib.

American Express won't release ad budget figures, and those floating around the industry vary widely. One source put the company's total 1985 expenditures in the neighborhood of $500 million, most of that going to the Travel Related Services division — the arm that markets charge cards, traveler's checks, and other travel services. According to Leading National Advertisers, the company spent just over $41 million on card-related advertising in measured media from January through September last year.

American Exress has a couple of other marketing cards up its sleeve. It has had a separate marketing program targeting women since late 1982. It generates ads that run on tv, in print, and go into direct mailings; the program also organizes special seminars for women.

The company found that, in general, women didn't feel the tried-and-true "Do you know me?" campaign spoke to them. So in 1983, it launched "Interesting Lives," a campaign from Ogilvy & Mather Inc., the agency that handles all its advertising. The ads are a series of vignettes that, for instance, featured a woman at a baseball game with her two daughters, or a woman cross-country skiing with a baby strapped to her chest. The "Interesting Lives" series, which went national last fall, runs in print titles that include *New Woman, People, Life, Frequent Flyer, Changing Times* and *Omni.*

The company has also put a lot of emphasis on what it calls "Cause-Related Marketing." Amex selects various "good causes" to back and then promotes them, with its name attached. One well-known campaign involved donating money for the restoration of the Statue of Liberty. The company donates small sums to its select causes each time a card is used or a new one is approved, among other things. The company reports that charge volume rises 30%, on average, during periods of cause promotion. Since it began in 1981, the company has ploughed over $16 million into cause-related advertising.

Newest of these do-good marketing programs is Project Hometown America. Amex is giving up to $20,000 each to a total of 206 community-oriented improvement projects across the country. The program, which ran from September through December advertised itself in daily newspapers in various cities. National media buys included network news shows, prime time slots, business magazines, newsweeklies and *USA Today.*

Recently, Amex tested a blue card. If launched, it would have been the company's first full-time revolving credit card with a credit limit of up to $30,000. But, "It did not survive the

"Travel? Forget it,
I don't
have the TIM."

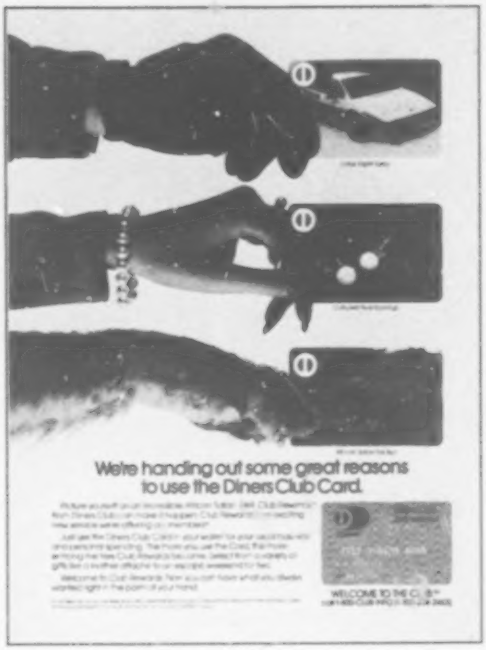
Advertise in Travel-Holiday, and your message won't sail wide of its mark. Our readers have the Inclination as well as the Time and Money (TIM) for serious travel, taking 25 million trips last year. It's their hobby, their recreation, their life. Avid readers as well, they average two hours per issue and send nearly a million requests annually for information from our advertisers. Why not you? For our new media kit to help launch your ad, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money. Our readers have it.

TRAVEL-HOLIDAY

GOT A COMET BY THE TAIL

*Source: Erdos & Morgan, 1985.


We're handing out some great reasons to use the Diners Club Card.
WELCOME TO THE CLUB

Citibank keeps trying with Diners Club.

exploration" period, says Shaib. "It didn't fit in with what customers want."

DINERS CLUB and CARTE BLANCHE

Diners Club is the grandaddy of plastics. Introduced in 1950, this first credit card was actually made of reinforced cardboard when it was rolled out. Though it may be the veteran of the category, the $55-a-year card's performance has been so lackluster in recent years that many have wondered if it would endure. As one observer says, "They've got to make some broad changes to garner a bigger share of market. People picture a restaurant card that's elite, but outdated."

With the Diners Club membership hovering around five million worldwide, Citicorp — which bought an interest in the card in 1981 and now owns 70% of its worldwide operations — recognizes the problem. Last year it launched a new marketing campaign that the company spent $5 million to $10 million on in 1985, and will spend about the same on in 1986. Diners Club, to survive, has to carve out a share of the travel and entertainment market. While chances are slim that it will be top-of-mind over chief rival American Express, it aims to give itself enough exposure to at least *come* to mind.

Citicorp thinks it has found a way to nudge Diners Club up higher in the minds of consumers and differentiate it from Amex. "Our target market is the frequent business traveler," declares Bruce Gooden, senior vice president, Diners Club marketing. "It's a segmentation strategy — these people have different needs than people who don't travel," he adds. "We do it better because that's all we're doing — [the card] is not there to buy shrubs with." Though Gooden won't project what the results in this shift in strategy will mean in terms of subscriptions, observers say signs are that Citicorp will still have to settle for a very small share of the T&E market.

Advertising for Diners Club is relying on direct mail to the tune of about 50%, says Gooden. Tv buys, both cable and network, will be in spot markets where there is a heavy concentration of business travelers. A heavy percentage of spots will be placed on business shows. Citicorp will also buy into in-flight video programing schedules, as well as in-flight magazines like *Frequent Flyer*. Print buys, predictably, lean to business books: *Wall Street Journal, Barrons, Nation's Business, Inc., Business Week* and the executive editions of *Time* and *Newsweek*.

Though Carte Blanche and Diners Club are often mixed up in consumers' minds to the point of seeming to be the same card, they aren't. But as with Diners Club, Citibank is also trying to create more awareness for this $40 model.

It will break a campaign on spot tv the 15th of this month that features a celebrity spokesperson. The campaign will be augmented by outdoor advertising in select cities, in addition to di-

> **"They've got to make some broad changes to garner a bigger share of market."**

The Media School

A comprehensive introduction and review of key media terms and concepts and planning principles.

DAY 1 This BASIC full day is crammed with solid usable media information such as 12 media concepts, 8 media research resources, planning and buying 4 major media and 8 steps to create a media plan.

DAY 2 The ADVANCED media day highlights strategic planning issues involved with; defining target audiences, setting effective reach and frequency, geographic allocation systems, media mix and organizing a media plan.

DAY 3 Knowing how to create a media plan is one skill, presenting media plans, recommendations and conceptual ideas is essential to career growth. This full day is spent honing media communication skills.

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MAY	
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14, 15	New York • Grand Hyatt
21, 22	Minneapolis • North Star Hotel
JUNE	
4, 5	Memphis • Hyatt Regency
11, 12	Boston • The Copley Plaza
*24, 25, 26	New York • Grand Hyatt
JULY	
9, 10	Washington DC • Sheraton Crystal City
16, 17	Pittsburgh • Hyatt Chatham Center
*22, 23, 24	San Francisco • Hyatt on Union Square

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rect mailings in over thirty states.

The card, which has under one million holders, is described by Citicorp as being a prestige card with no preset spending limit. "It's reason for being," says Gooden, "is for people who want ultimate in spending power."

OIL COMPANY CARDS

Most of the major gas companies still offer credit cards to fill up with. But in the last year two corporations have launched "full-service" gas cards that come across as something like modified travel and entertainment cards.

AMOCO

Amoco Corp. has had a "special service" gas plastic on the market since February 1983. Aside from working as a gas card, it provides a range of other services: emergency cash, for instance, and accident insurance. Perhaps the most tempting lure for potential subscribers is the 50% discount arrangements the company has with certain hotels and restaurants nationwide.

The company does no media advertising to push its MultiCard, relying on direct mail and point-of-purchase material to lure new subscribers. Amoco reports 1.1 million people carry MultiCard. The card, which costs $20, is marketed heavily in all areas of the U.S. except the Southwest and West — areas where Amoco doesn't have stations.

Last summer the company also launched a promotion offering fee-less Visa and MasterCards to new subscribers.

SHELL

Last September, Shell Oil Co. launched the Shell Signature credit card, a "special service" card that can get not only petrol, but discounted rooms at certain hotels and restaurants, as well as reduced rates on Hertz cars. The card carries a fee of $20.

The company offered the card to 5 million consumers who already have a Shell card in their wallets and, to date, Shell has signed 300,000 subscribers. "That's an excellent response rate," claims Rick Spinks, manager of the Shell Signature program. "In the credit card world, anything over a 4% is outstanding." He adds that the company is still defining Shell Signature's market. "We see it tied to the automobile and envision cardholders as people who tend to travel in their car."

"Full-service" gas cards come across as modified T and E cards.

Spinks says that other than the direct-mail solicitations (on which it has so far spent about $5 million), the company has no plans for at least another year and a half to advertise. Ads then would be print pitches and run in travel books. Tv ads, he says, are a faint possibility.

Does Shell think it can co-exist with Amoco's MultiCard, a gas-plastic similar to its own? "It's an excellent card," comments Spinks, "and they're good competition. But they're strongest in areas [of the country] where we're not, and right now there's room for plenty of competition." ■

"Us take trips?
We don't
have the TIM."

For Travel-Holiday readers, however, it's a whole other ballgame. They have the TIM—Time, Inclination and Money—to travel. Averaging $41,700 in income, 59 years of age, kids out of college and mortgages paid, our readers have a large discretionary income to spend on your travel goods and services. Add to that a surprisingly low CPM, and you'll agree, Travel-Holiday is a big hit for your advertising dollars. For our new media kit, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money.
Our readers have it.

TRAVEL-HOLIDAY

GOT A COMET BY THE TAIL

*Source: Erdos & Morgan, 1985.

POINT/COUNTERPOINT/

IS OFF-CARD ON TARGET?

THE RATE CARD MINDSET

Begin with the basic premise that the marketer is entitled to receive the best value for his advertising investments. Value equates to the effectiveness and communication success of their sales messages and includes a strong relationship to the price of that communication. Steadfastly maintaining the rate card as sacrosanct insures the status quo — reasonable profits are guaranteed for the publishers and increased costs are passed on to the advertiser.

In a free market economy, a marketer cannot continue to request exorbitant cost increases from the consumer and expect to stay in business. Eventually, the consumer looks for alternatives that give the same value at a lower cost. Yet the magazine industry asks us to ignore these economic laws and continue to accept rate increases higher than the Consumer Price Index, with little increased return in productivity.

Magazines are a supply and demand medium. Currently there is excessive supply. Price flooring, via an inflexible published rate card, encourages poor management decisions, uncontrollable cost increases and excessive charges for premium (demand) positions and bleed (demand) creativity. True, magazines may fail because of negotiations. If they cannot prove their effectiveness (price/value), then perhaps they should fail!

A magazine which can prove fair value should be able to adjust its pricing to reflect the resultant demand. Price flooring insures not having to prove or sell anything except the base number of readers.

The negative arguments, including increased clutter and less investment on the editorial product, belie the true issue. Maintaining the rate cards keeps it simple and easy for everyone except the advertiser. But in today's economic climate, that advertiser is demanding a better return on investment. If a magazine does not like the negotiation, it can always "walk away." This might give it greater credibility. The bottom line is: It is time that the industry changed its anachronistic rate card mindset.

Louis M. Schultz is executive vice president, director media services at Campbell-Ewald Company. As General Motors agency member, he also sits on that company's Media Council.

Our readers tell us . . .

The realities of the marketplace have taken their toll on the rate card as the basis of a magazine space buy. Off-card deals are rumored to be widespread — but are they? Research USA, Inc., Chicago, went to a random sample of our readers in media positions to hear what they had to report on their own magazine buys. Here's what they report:

1. Should magazine ad page rates be a negotiated buy?

Yes	67.3%
No	31.8
No answer	.9
	100.0%

Base: 113

2. Have you successfully negotiated magazine prices different than those appearing on the rate card within the past 12 months?

Yes	57.5%
No	39.8
No answer	2.7
	100.0%

Base: 113

If "Yes," who initiated these deals?

The magazine publishers	12.3%
Your buyers and/or clients	43.1
Both	44.6
No answer	—
	100.0%

Base: 65

If "No," why haven't you bought magazine ad pages off the card?

You turned down off-the-card deals	15.6%
You had been rebuffed when seeking special discounts	8.9
You never sought an off-the-card deal	66.6
No answer	8.9
	100.0%

Base: 45

3. Have you learned of off-the-card deals by your competitors?

Yes	44.2%
No	53.1
No answer	2.7
	100.0%

Base: 113

4. Some publishers have reacted to the competitive environment by offering new on-card discount plans — package

buys, first-time discounts, repeat discounts, etc. Are these refinements effective tools for preserving the rate card as the basis of the magazine buy?

Yes	60.1%
No	37.2
No answer	2.7
	100.0%

Base: 113

5. As the business climate improves for magazines, what do you feel will happen to the number of off-the-card deals in magazine buys?

They will increase	31.9%
They will decrease	35.3
They will stay the same	31.9
No answer	.9
	100.0%

Base: 113

THINKING LONG TERM

Negotiated magazine rates have been an on-going advertising topic for the past five years, but interest in it has increased significantly over the past year, fueled by an increase in the attempt to leverage large advertising budgets to obtain better rates.

I had a rather well-defined point of view on this matter when I agreed to address a recent Association of National Advertiser's meeting. However in order to find out if I would be presenting a majority or minority view, I polled ten of my peers in medium- to large-sized agencies. My opinion, a guarded no, was echoed by seven of the ten while being contradicted by the remaining three.

Here's my reasoning for what turned out to be the majority opinion.

It's difficult to fault those looking for the best possible deal, but let's protect the goose or we won't have any golden eggs. There are similarities in this situation and the advent of 15-second tv commercials in terms of keeping a careful eye on media resources.

At an Advertising Research Foundation meeting several months back, researcher after researcher said that :15's were worth approximately 75% of the value of a 30-second commercial. Okay, but five years from now when the :15 may very well be the dominant message length, will its absolute recall and persuasion scores be equal to 75% of what a 30-second delivers today? Or will the effectiveness of the entire tv medium be diluted? And what will be the rate for that :15? Yes, :15's are here to stay, but we'd better learn to accommodate them so that, down the road, there will be a net gain and not a loss per dollar expended.

Negotiated magazine rates present the same kind of dilemma. Magazines are a resource. How do we protect, nurture and get the most value from the medium over the long haul? Many magazine publishers say that, since ad pages are not a "perishable" commodity, it's not a case of supply and demand calling for negotiated rates. The supply is forthcoming only sufficient to meet the demand. If pages aren't sold, they aren't printed and no costs are incurred for paper, ink, etc., and no additional edit pages are required to maintain an ad/edit balance. They also say that negotiated rates are a dangerous short-term strategy that will lower the value of the medium as an advertising vehicle.

I agree with their point regarding the threat to the value of the magazine medium, as do the majority of the media directors I spoke with, but that doesn't mean they shouldn't get their house in order. Backing away from over-inflated circulation levels, for instance, is a positive way in which the magazine medium can bring their advertising rates in line with the reality of the marketplace and hopefully lessen the pressures of negotiated rates — pressures that will cause some magazines to lower their edit product, deliver less value and, as a result, lose readers and begin a downward spiral in terms of quality.

Negotiating off the rate card says that magazines are selling tonnage and that the value of their editorial product is of little importance. This should not become the *raison d'etre* of this medium. In the media world of the 1990's, audience selectivity and reader or viewer involvement, at a fair price, will be the rationale for most of the recommended elements in the majority of media strategies.

I believe the answer is "No" to the question, "Should magazine rates be negotiated?" However, publishers need to act. Should circulation to undesirable, uninterested readers be cut? Yes. Should creative packaging and discounts be developed by magazines and put on the rate cards? Yes. Should rate increases be more cognizant of a lower rate of inflation? Yes. And should we all be concerned about protecting the goose so its golden eggs aren't spoiled? By all means, yes.

Michael Ephron is executive vice president, media services, for Scali, McCabe, Sloves, Inc. This piece has been adapted from an address made to the Association of National Advertisers Media Workshop on February 26, 1986.

ECONOMIC EYE

AGENCY OUTLOOK: GO FOR THE RIDE

Advertising agencies, overall, should expect "modest" improvements in earnings for 1986, according to Fred Anschel, vice president, research, Dean Witter Reynolds.

Anschel, who follows five publicly held agencies — BBDO, Interpublic Group, J. Walter Thompson, Ogilvy & Mather and Doyle Dane Bernbach — envisions earnings will increase 10%-12% and that a great deal of that growth will come from overseas markets.

"The dollar is weaker and the lower oil prices should have a very salutary effect on the European economy, keeping manufacturing costs lower so that marketers can spend more money on media," Anschel reasons. Furthermore, the nascent European media scene is beginning to unfold, with more media options becoming slowly available for global marketers. The ensuing media commissions will fatten agencies' bottom lines as well. The gains in Europe, however, will be partially offset by the major Latin American markets which are "still in a high inflation mode," he adds.

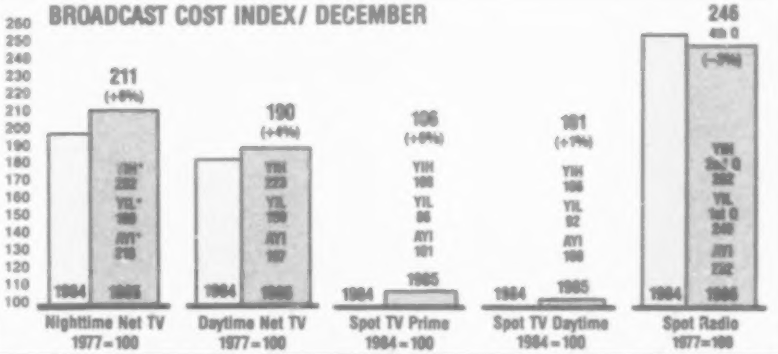
Domestically, Anschel sees no cause for distress, although growth will be slower than recent boom times. "The physical volume of advertising should be up modestly and, therefore, the ability to raise ad rates," he predicts. Nor does he see recent client defections to media buying services, like Chesebrough-Pond's recent move, growing into a trend that full-service agencies should be alarmed about. "We've gone through this before and this question comes up constantly, but it will not be a major factor," he predicts.

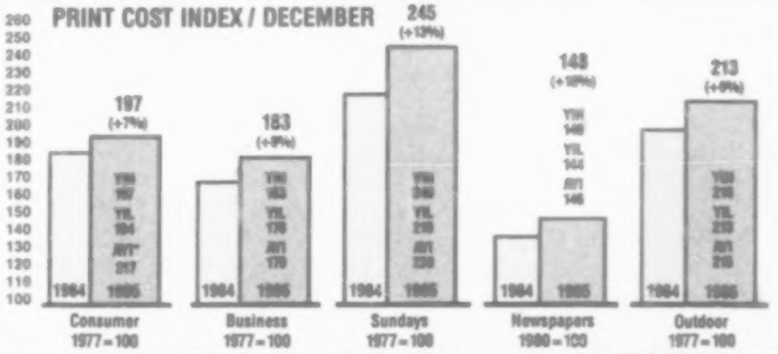
For the short term Anschel envisions that agency stocks will "do extremely well, as is the entire stock market. My attitude is that as long as things are going well, go along for the ride," he advises.

Marianne Paskowski

MAGAZINE AD SCOREBOARD	Ad Pages Feb. 1986	% change from Feb. 1985	Dollars spent (000)	% change from Feb. 1985
1. Skin care, Creams, Lotions and Oils	158.88	+17.0%	$ 4,797.7	+35.8%
2. Lip and Eye Beauty Products	41.79	−38.1	1,306.8	−44.8
3. Scents and Fragrances	106.99	+83.5	2,353.9	+76.4
4. Facial Makeup Products	42.38	−46.9	1,610.6	−35.3
5. Prepared Dinners and Entrees (including Pizza)	57.76	+55.8	2,767.4	+34.6
6. Liquor	311.86	−3.6	12,655.6	+4.6
7. Cigarettes	580.04	−9.9	29,752.0	−2.6
8. Soaps and Detergents	39.51	−19.8	2,487.6	−13.1
9. Passenger Cars, Domestic	404.96	−10.8	19,006.2	−13.3
10. Passenger Cars, Imported	301.33	−4.7	14,928.3	+19.4

Source: Publishers Information Bureau as prepared by Leading National Advertisers


BROADCAST COST INDEX/ DECEMBER


PRINT COST INDEX / DECEMBER

Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 788 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year. Percent change shows rate of change from the same month in previous year.

***YIH**=Yearly index high ***YIL**=Yearly index low

***AYI**=Average 1985 index

SALES PROMOTION

by Russ Bowman

A "CAUTIOUS" LOOK AT COUPONING

A lot has happened to the seemingly "wonderful world" of couponing since the December 1985 article. The changing scene can be summarized in six trends or current events that are worth noting:

1. Total distribution is up, but at a slower growth rate.
2. Redemption rates are declining, some significantly.
3. Free-standing inserts now equal over 50% of all coupons and their producers are gearing up for an even bigger share.
4. Price wars among the FSI suppliers may benefit advertisers.
5. FSI producers are looking for some "new tricks."
6. Face values are up, but only slightly.

Couponing is still growing at a faster rate than most businesses, but it has been growing at a *declining* rate for the past two years, and that seems to look like a trend. Couponing increased by 20% in 1983, by 14% in 1984 and by only 10% last year, as the total distributed hit 179.8 billion, according to A.C. Nielsen. One reason for the current reduced growth is that the greater increases in 1982 and 1983 were a result of an upswing in the economy and a number of new brands and companies jumping on the coupon bandwagon. Secondly, there are many advertisers who are concerned about today's clutter in the mass-distributed media like free-standing inserts, and are planning for more selective distribution both geographically and demographically.

A more serious concern is the declining redemption rates of most coupon distribution methods over the past several years. Most of the traditionally higher redeeming vehicles had a significant drop from 1983 to 1985, especially direct mail which declined nearly two percentage points, from 8.9% in 1983 to 7.0% in 1985. Since the costs of postage, printing and mailing have increased over the same period of time, the implication is reduced efficiency. (An overall view of this decline can be seen on page 158.)

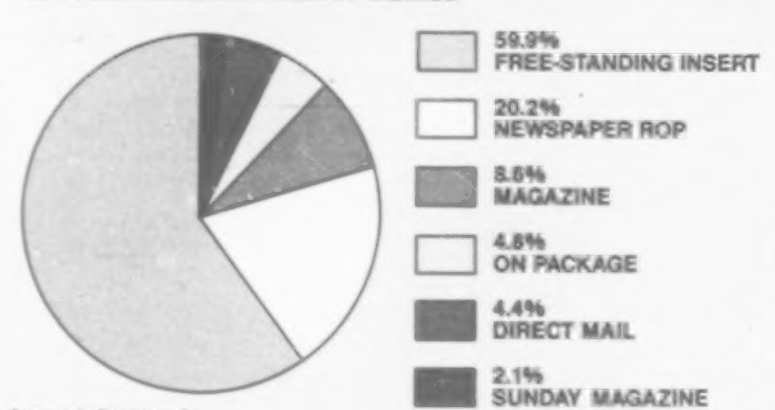
What's behind this trend? Some marketers blame overall coupon clutter, or simply the fact there are so many couponing vehicles competing for the consumer's attention. Others look at the shift in audience demographics for the mass distributed coupon programs over the past six to eight years. Donnelley's Carol Wright mailing was once more closely aligned to prime demographics of heavy coupon users (larger families, major markets, etc.). As the list became broader to accommodate up to 40 million households, it necessitated more small households and more families with incomes at both the high and low end of income brackets — demographics generally associated with lighter coupon usage.

Free-standing inserts dominate: For a business that was virtually in its infancy only ten years ago, FSI's have come a long way. In 1985 newspaper co-op inserts represented nearly 60% of all coupons distributed, up from 51% in 1984, and 43% in 1983. And it looks like the FSI producers are gearing up for even more growth. Valassis, the leading company in the business, increased its 1986 schedule with four new dates (July 20, August 3, September 21 and October 19), bringing their total to 33. NCC Sunday, the MCA entry, has added two issues (September 21 and October 19). The schedule of all four insert companies for 1986 comes to 108, now all on Sundays.

With greater volume and issue sizes, there is a new scramble for cut pricing. The former standard $7 CPM page has been going at much lower rates, even below $6 CPM, which has prompted a bold move by the new Quad Marketing group that took over Blair Inserts earlier this year. Quad is offering a "National Only" issue (47,850,000 circulation/November 16) at a flat $5 CPM. The cost savings, which Quad is able to pass along, are a result of eliminating the 125-150 version color changes and the improved efficiency of new presses.

Meanwhile some of the FSI producers look at the environment as an opportunity to add some creative advantages to give them a slight edge. Last year Product Movers introduced a coupon-sized gatefold "flap" that was utilized by several manufacturers including General Foods and Nestle.

1985 COUPON DISTRIBUTION BY METHOD



Source: A. C. Nielsen Co.

HOW HAS BUSINESS MARKETING CHANGED?

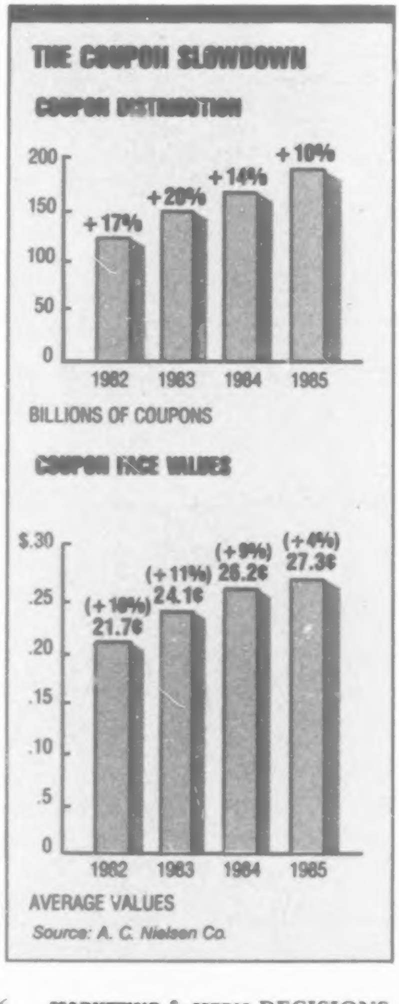
"Good friends don't let good friends smoke cigarettes."

Cigarettes aren't good for your friends. Adopt a friend who smokes and help 'em quit today. You'll both be glad tomorrow.

AMERICAN CANCER SOCIETY

Now Quad Marketing is offering an opportunity to buy a double fold center position that can be folded out to the approximate size of a 16"x22" poster, or a spread with full-page gatefolds on both sides.

Face values up "just a little": Good news for your budgets is the fact that coupon face values seem to be increasing at a lesser rate than in the past. Specifically, the average face value of all coupons in 1985 (27.3¢) was only 4% greater than 1984. Growth in the average face value from 1982 to 1983 was 11% and growth from 1983 to 1984 was 9%. Percent of coupons in two of the more popular values was virtually equal for 1985 and 1984, which tends to indicate that many companies/brands are finding a value well below the overall average quite adequate for their criteria of effectiveness and efficiency.



THE COUPON SLOWDOWN

Source: A. C. Nielsen Co.

c2950-3

MARKETING & MEDIA DECISIONS

May 1986 $3.0

TEST MARKETING'S STAR WARS

J. Reginald Rhodes
Burke Marketing
Services

Gian Fulgoni
Information Resources Inc.

Thomas Busyn
A.C. Nielsen Co.

AD-SUPPORTED VIDEO

NEW CAMERA ANGLES

PUBLISHERS GO REGIONAL

**************** 5-DIGIT 20814
711 00161861 41 93
GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

SPECIAL REPORT

TEST MARKETING'S STAR WARS 74

Three companies — Information Resources Inc., Burke Marketing Services and A.C. Nielsen — are using every techy trick at their disposal to attain leadership in the test marketing field. In this cover story, what they're doing and what it might mean for marketers are spelt out. Also part of the report are guidelines from Campbell Soup's Tony Adams on avoiding test marketing traps (page 90); Ira Weinblatt of Dancer Fitzgerald Sample shares his agency's test site standards (page 92); the Universal Product Code and its promise are appraised (page 96); and who does what in scanner services is made clear (page 97).

FEATURES

PUTTING MAGAZINES ON THE MAP 40

Regional publishing's strengths and advertisers' segmented needs have led Time Inc. and Meredith to think small in their publishing plans. But is local any place for national publishers?

THE PUSH IN ON IN VIDEO PUBLISHING 49

Home video is feeding a new industry as entreprenuers attempt to marry the system to Madison Ave. While ads are possible, sponsorship seems the way to go, but every matchmaker is writing his own rules.

UP, UP AND ALL OVER 58

Our London correspondent checks in with the latest developments in the burgeoning European satellite tv and cable industries.

THE NOT-SO-MELLOW YELLOW PAGES 65

It seems everybody has got their fingers in the yellow page business. In fact, advertisers are growing more and more concerned that the widening competition will dilute the medium's effectiveness.

BRAND REPORT 133: CAMERAS 125

While all the talk is of "electronic imaging," camera marketers remain undaunted. New products like Polaroid's Spectra and Kodak's new 35mm cameras, as well as the auto-everything revolution, continue to improve the picture for this product category.

DEPARTMENTS

PRO FILES 4

Clare Simpson will marshall network tv, cable and syndication for Coca-Cola at agency McCann-Erickson. Also, radio's Madam President and the Direct Marketer of the Year.

DIRECT MARKETING 8

Four direct marketing agencies are new to the top 15 agencies for 1985 as ranked by the Direct Marketing Association. Hot growth, meanwhile, has led others to set up new direct marketing agencies.

PRINT BEAT 17

To ease the buying process, a wide-ranging network for classified advertisers will be offered from Times Mirror National Marketing.

UPDATE 20

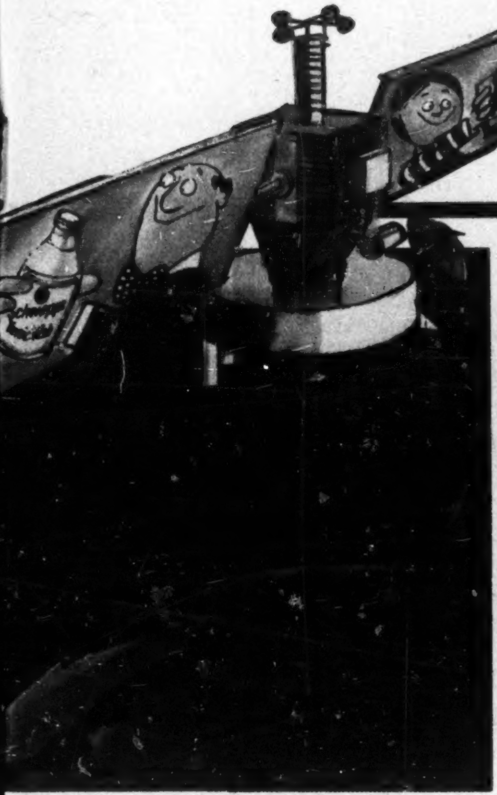
The Detroit dailies call it a draw and combine operations — if the government will let them. Also, Chesebrough's Phillips becomes heir apparent, while 13-30's Whittle and Moffitt go their separate ways.

LETTERS 24

Considering the Council, some "Vice" advice, eight-sheets and the black market and more feedback on our new format.

May 1986, Vol. 21, No. 6

Cover design by Mike Quon, photographs by Michael Mella



CREATIVE CONCEPTS 28

Cartoon characters add a human touch to a variety of advertising campaigns.

DEBUT 32

Prestige Panels' billboards on wheels are on a roll. Also, *Videomaker*, a magazine for video camera owners.

FREEZE FRAME 34

The Movie Channel is the most recent pay service to encourage VCR owners to tape their fare. Agency cable buyers, meanwhile, discuss MTV's hassles with its Nielsen numbers.

BROADCAST BEAT 143

Dr Pepper will be the sole sponsor and hold all rights to the *Canned Film Festival*, to be syndicated this summer. Also, the outlook on the upfront.

ECONOMIC EYE 146

The Media Cost Index; LNA flash figures; and the cable picture from Kidder Peabody's Mary Kukowski.

POINT/COUNTERPOINT/POLL 148

Career management at advertisers and agencies — how do you score?

ON THE DOCKET 150

The FCC continues unabated in its efforts to deregulate the broadcast scene.

TOOLS OF THE TRADE 152

Foote, Cone & Belding's Grid can help determine whether an ad strategy can cross national boundaries.

SALES PROMOTION 156

The promotion industry looks at the past and future.

THE LAST WORD 160

There's one way to avoid marketing pratfalls: test.

AS THEY SEE IT

MEDIOLOGY *Allen Banks* 107

Guarantees in advertising time and/or space buys may not be all they seem.

CABLE *Gene Willhoft* 109

Herewith, a five-part plan for deciding the whys and wheres of cable funding.

MAGAZINES *Stephen Jacoby* 110

The movement toward negotiated rates and labyrinthian discount plans may be undermining the magazine medium.

RADIO *Dennis McGuire* 112

A buyer offers advice on avoiding static in a switch pitch.

RESEARCH *Stacey Lippman* 116

It's time for a change in thinking regarding frequency levels.

MARKETING *Larry Kelley* 118

Women in the work-a-day world have led to changes in media and media usage.

NEWSPAPERS *Jack Cohen* 119

They've said it before and they'll say it again — close that differential gap!

OUTDOOR *Judith Monosson* 121

The medium is getting a breath of fresh air from new technologies and new advertisers.

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DIRECT MARKETING

by Rebecca Fannin

TAKING IT FROM THE TOP IN DIRECT RESPONSE

Leber Katz Partners scored big last year in direct marketing billings, chalking up the highest growth rate (up 65%) among the top 15 agencies specializing in direct marketing.

But Leber Katz' skyrocketing performance to 12th position in 1985 from 18th the previous year did not alter the lineup much among the top 15 direct marketing agencies which used only fees and commissions to tabulate their billings.

Wunderman, Ricotta & Kline maintained its number-one status with $175.7 million in billings, a gain of 17.4%. Second-ranked Ogilvy & Mather Direct showed an increase of 30% to $173 million in billings last year.

Direct Inc., however, the 11th-largest biller in 1984's survey, fell to 26th position last year.

Meanwhile, other agencies besides Leber Katz which joined the top 15 ranks were JWT Direct, which grew in billings by 41.7%; Scali, McCabe, Sloves Direct, with a 47.3% gain; and Flair Direct, with the second-largest growth rate (59.4%) of the top 15.

In other significant rattlings, BBDO Direct, Inc. claimed the ninth position with a 12.7% increase. But it didn't exactly leave the former ninth-ranked agency, MARCOA Direct Advertising, Inc., behind in the dust. MARCOA's business was up nearly 3%, meaning it remained at BBDO's heels in the tenth position.

The DMA also reports that 85 agencies participated in this year's survey, compared to 59 last year.

By way of note, the association kept separate tabs on agencies reporting fees, commissions and internal production revenues. The top five in this configuration are, in order: The Direct Marketing Group, $101.6 million; The Direct Marketing Agency, $80.4 million; Krupp/Taylor, $53.2 million; Direct Mail Corporation, $39.8 million; and Epsilon, $35.8 million.

DIRECT RESPONSE ADVERTISING AGENCIES U.S. GROSS BILLINGS

	Billings (in millions)		
Agencies Reporting Fees and Commissions Only	1985	1984	% Gain
[illegible]	[illegible]	[illegible]	[illegible]
2 Ogilvy & Mather Direct	173.0	133.0	30.1
[illegible]	[illegible]	[illegible]	[illegible]
4 Rapp & Collins Direct Response Group	83.5	57.6	45.0
[illegible]	[illegible]	[illegible]	[illegible]
6 Kobs & Brady Advertising, Inc.	70.3	52.0	35.2
[illegible]	[illegible]	[illegible]	[illegible]
8 Barry Blau & Partners	42.5	37.7	12.7
[illegible]	[illegible]	[illegible]	[illegible]
10 MARCOA Direct Advertising, Inc.	36.1	35.1	2.8
[illegible]	[illegible]	[illegible]	[illegible]
12 Leber Katz Partners Direct Marketing	33.7	20.0	68.5
[illegible]	[illegible]	[illegible]	[illegible]
14 Scali, McCabe, Sloves Direct	30.5	20.7	47.3
[illegible]	[illegible]	[illegible]	[illegible]

* The 1984 figure represents Stone & Adler offices in NYC and Chicago and does not include Chapman Direct billings; however, in 1984 Chapman Direct billings were reported to be [illegible] million. The 1985 figure represents the Stone & Adler office in Chicago and Chapman Direct billings.

Source: *Direct Marketing Association*

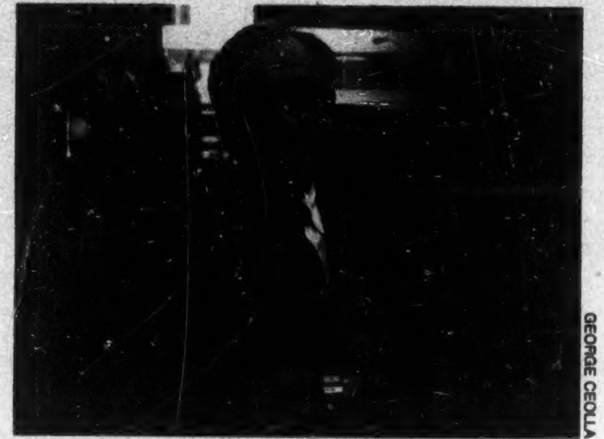
MORE AGENCIES TAKE THE PLUNGE

With direct marketing one of the faster-growing areas of the selling business, it's no surprise to see opportunists jumping in with what they hope will be a big splash. This spring, though, the pool is really crowded. At least three direct marketing agencies were formed during the windy month of March alone.

Atlanta's Burton-Campbell confidently took the plunge this year with four clients billing a total of $2 million.

Clifton, N.J.-based direct marketing agency, Direct Dimensions, Inc. was also formed by Suzanne Ghosh, who headed direct marketing at Keyes-Martin in Springfield, N.J.

Last but not the least is a joint venture between two industry veterans, Norman Steen, of Lynbrook, N.Y.-based Steen Advertising, and Bill Pesce, of New York City agency, Pesce Advertising.


GEORGE CEOLLA

Autry hones a new Meredith strategy.

THE BIG THINK SMALL

The good health of local magazines, combined with advertisers' new targeted awareness, have made some national publishers consider regional buyups, startups and networks.

by Fred Pfaff

"For once in my life I'm in the right place at the right time," exults Camille Harris, bubbly president of the National Business Network of Regional Business Publications. "Market segmentation is just flowing. Companies have become sales driven, and regional offices are hammering away at agencies for more local support."

Harris' enthusiasm sums up the reasons magazine publishing observers predict the industry's future growth will be in regionals, and a few major national mass magazine publishers are taking note and betting on the trend. In 1985 Time Inc. acquired regional publisher Southern Progress Corp., "from which we can learn how to operate effectively on a regional basis," according to Kelso Sutton, executive vice president of magazines. Time's recent *New York-New Jersey-Connecticut Real Estate* is reportedly only the first magazine in a planned national network of such regional efforts. And Des Moines-based Meredith Corp. is actively talking up regional launches — in fact, Meredith already has tests and a national network scheme underway.

HOM
HEARTLAND

What these publishers see is an advertising environment ripe for exploiting regional preferences. Time's regional moves respond to rumblings that auto and liquor accounts — mainstays for Time's magazines — will be placing more advertising responsibility in the hands of regional managers. "There's no question but that the regionalization of ad spending is going to be a big topic for United States magazines," says Sutton. "Local advertising is growing faster than national advertising. It's dynamic, it's less prone to cyclical variations and it's going to grow. That's why we've been looking at regional publishing."

"I think it's right," says Paul Zuckerman, senior vice president, director of media planning and operations at Doyle Dane Bernbach Group Inc., of Time's strategy. "We're going down to the streetcorner if we can to get close to the purchase decision. Regional magazines are a viable means to do that in print." Such national clients as Co-

New kid in town: Cunningham's Southern Progress may have sold Time Inc. on regional publishing.

STEVEN BEGLEITER

lombian coffee, IBM and GTE, he notes, are making a point of adding regionals to their national magazine schedules.

Regional books are also getting a closer look from Campbell-Ewald Co., some of whose heavyweight clients — most notably Generaly Motors Corp. — are making an effort to market more regionally. "We're considering regionals more now," attests Louis M. Schultz, C-E executive vice president, director of media services. "Plans are being built ADI by ADI, and the regional magazines offer geographic flexibility with our best prospects."

Still, Time and Meredith's bets aren't without risk. Advertisers' desires for more defined buys haven't automatically translated into a burning affection for regional magazines. Bob Neal, group manager, media administration at R.J. Reynolds Industries Inc., for one, wants highly targeted spending, but doesn't find regional magazines more attractive because of it. "They're on the bottom of the list," he claims. "You tend to run out of money before you get to them. Newspapers give you broader coverage."

Southe
Southern Acc

Some feel that the big boys simply are too big to play the regional game. Then there are those who will argue that even the broad regional niches have closed up, and the established titles are all but immovable. Even Alan Leveritt, publisher of *Southern*, a soon-to-be-launched regional with a probing tone, admits, "I don't know of a single city or regional magazine startup that has ever succeeded against an established publication. I don't think anyone can break that record; the franchises are too strong." Ironically, Leveritt will take on one of the most established of the regionals, Southern Progress' *Southern Living*.

Another obstacle is regional bias: such major publishers as Time Inc. and Meredith are foreigners in the eyes of readers and advertisers in individual regions. "Nobody cares where the *Time* magazine guy hawking ads is from," says Pat Hornberger, publisher of *Maryland* and president of the Regional Publishers Association. "But where you're from is important in selling ads for a regional. Regional advertisers want to be sold by a native they're sure knows the region."

Despite the reservations expressed by some, others feel publishing is on the verge of a regional craze. Campbell-Ewald's regional magazine buying hasn't risen enough to make a significant difference in the overall budget allocations, "but it's up," points out C-E's Schultz. "And that's a step toward using all media on a regional basis. You'll see major increases in regional spending in the next few years," he predicts. "And you'll see the Time Inc.'s compete in regionals, too."

Also supporting publishers' new interest in regionals is the trouble some have identifying and tapping new niches with mass potential. Time is currently wrestling with the one magazine launch from its much bally-hooed Magazine Development Group — a photoweekly for the checkout counter, *Picture Week*. After a weak test period, it's back on the drawing board amidst talk of its imminent demise, though Time Inc. still denies any plans to scrap it. Other pondered startups, *Quality* and *Leisure*, strike many as too close to such established books as Hearst's *Connoisseur*.

Those who think small have fared better. Regional magazines have been growing quietly and steadily as local advertisers look for slicker vehicles and major national advertisers look for ways to make bigger noises in smaller target markets. Of the 22 city/regionals that sold over 1,000 ad pages in 1985, according to *Media Industry Newsletter*, 15 posted page gains for the year (see chart).

That's enough to whet appetites for regional adventure.

In early 1985, Time Inc. bought the company widely considered the granddaddy of regional publishing, Southern Progress Corp. of Birmingham, Ala., for a healthy $480 million. What Time Inc. got with the deal is a stable of

THE 1000+ AD PAGE CLUB
Monthly metro and regional magazine winners

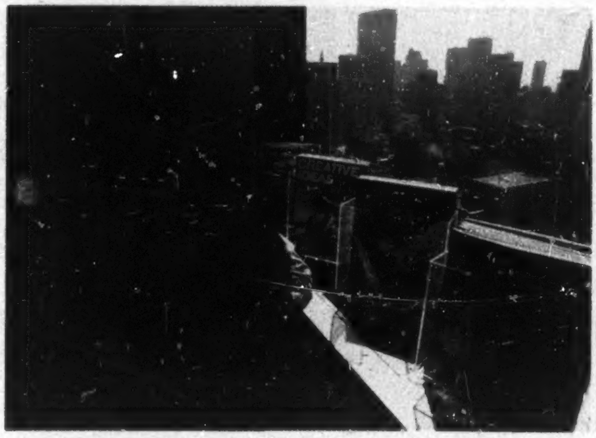
rank	magazine	circulation	1985 pages	% change	1985 [illegible] revenues	% change
1	Los Angeles	168,236	2,222.90	−11.36	NA	NA
2	The Washingtonian	144,007	1,971.58	+5.66	NA	NA
3	Boston	133,733	1,949.85	+6.50	8,154	+17.32
4	San Diego	61,063	1,864.60	−0.11	4,550	+9.96
5	Sunset	1,407,860	1,747.80	+3.78	40,985	+10.72
6	Chicago	214,886	1,733.93	−1.65	NA	NA
7	Philadelphia	153,880	1,716.00	+4.96	7,623	+11.32
8	D Magazine	80,391	1,666.00	+0.66	5,663	+11.48
9	Southern Living	2,318,824	1,631.90	+0.41	57,305	+8.12
10	Texas Monthly	282,270	1,562.56	−5.69	NA	NA
11	Palm Springs Life	76,000*	1,361.50	−6.61	4,119	+2.22
12	Minneapolis/St. Paul	48,734	1,268.00	+8.28	2,400	+14.29
13	Phoenix	36,898	1,168.50	+6.99	2,299	+15.35
14	San Francisco Focus	180,180	1,152.24	+38.74	4,665	+99.10
15	Miami/South Florida	28,674	1,130.85	+0.90	2,291	+9.04
16	Florida Trend	42,997	1,091.73	+7.51	2,962	+23.78
17	Connecticut	66,980	1,085.30	+8.56	2,500	+19.05
18	New England Business	*53,785**	1,081.99	+22.62	2,671	+22.69
19	Cleveland	42,502	1,047.03	+10.86	2,054	+16.24
20	Southwest Art	53,404	1,031.34	−1.34	2,223	+3.35
21	Baltimore	53,377	1,024.56	+22.74	NA	NA
22	North Shore	33,448***	1,019.78	−3.83	1,420	+4.41

Sources: Media Industry Newsletter Five-Year Summary of Metro/Regional magazines; Audit Bureau of Circulation's Fas-Fax report (average paid circulation for six months ended December 31, 1985).

*figure supplied by publisher
**average qualified circulation for six months ended December 31, 1985, audited by Business Publications Audit of Circulations
***North Shore not included in published Fas-Fax. Figure represents initial complete ABC audit for average circulation, six months ending December 31, 1985.
NA = Not available

front-running magazines in the blossoming South: *Progressive Farmer*, a 100-year-old magazine dedicated to better farm practices, *Southern Accents*, an *Architectural Digest*-like shelter book featuring Southern homes; and the company's cornerstone, *Southern Living*, the first word off the tongues of media directors and publishers alike when the question is regionals. Also included in the deal was the quietly modern *Creative Ideas for Living*, a national women's magazine.

Earlier this year, Time Inc. surprised the publishing community by rolling out *New York-New Jersey-Connecticut Real Estate*, a regional real estate book. Although Time is not new to specialty publishing, this marks the first truly regional effort for the megapublisher. Its next step may come in the South. Notes Glenn Majors, Southwest advertising manager for *Southern Living*, "When Time acquired Southern Progress, they said they wanted us to launch magazines." Kelso Sutton confirms that Southern Progress is working on launches and that "we're having conversations about some launch ideas we have up here."



New tack at Time Inc.: Sutton sees regionals as part of the big picture for the publishing unit.

LARRY BARNES

Another company moving in fast to take advantage of regional thinking is Meredith Corp. Having spawned numerous spinoffs from flagship *Better Homes and Gardens*, Meredith bought *Ladies' Home Journal* from Family Media last year for a whopping $92 million. "The day of starting great multi-million circulation magazines is gone," says magazine group president James Autry.

Autry's money is now on the little guys. Whereas six years ago, he says, Meredith would have balked at the idea of a 100,000-circulation magazine with small returns, the company invested in two city books (*Houston Home & Garden* and *Dallas/Fort Worth Home & Garden*) in 1984. Quiet properties until now, they'll be spotlit soon enough. A former editor of *New Orleans* and a lover of gardening, Autry envisions a network of city home and garden magazines. Under his direction, Meredith has sent out mailings designed to copy protect the *Home & Garden* name in 30 cities and clear the way for future startups.

"Not that again," chides Roberta Garfinkle, vice president and director of print media at McCann-Erickson Worldwide, about Autry's network plans. "This isn't the first time I've heard someone with that brilliant idea. It's never worked. There's just no incentive to go into the books unless the client is interested in a regional heavy-up in all those markets." Paul Zuckerman, senior vice president, director of media planning and operations at Doyle Dane Bernbach Group Inc., cautions that "some markets in a network of garden publications are bound to be markets a client won't support."

Broader regional books may be more attractive. Meredith is also testing a magazine for the Midwest it will call either *Midwest Living* or *Heartland*.

If other national publishers have regional plans, they aren't telling. According to director of new magazine development John Mack Carter, Hearst Corp. has "ruled out" regionals because most reap small rewards. Conde Nast, meanwhile, fears regional books would dilute their national ad pools. "For some advertisers, a regional might rule out a national run in *Vogue*," worries vice president, business manager John B. Brunelle.

National publishers are also wary of the highly personal world of regionals — one dominated by independent publishers whose enterprises stroke all the best things in area life. "We're the nice magazines," vouches RPA's Pat Hornberger. "We represent the good news that's left in life. We don't talk about the things you have to fix."

As a result, acquisitions like Time Inc.'s Southern Progress buy seem the safest bet for national publishers, and Hornberger feels many regionals are now easy targets. "A lot of those fellows are getting old," he says, referring to the regional publishing pioneers. "They've been around and done really well, but they wouldn't mind at all if someone gave them enough money to really retire."

No region heats with chauvinism more than the South, and no one has a tighter hug on it than *Southern Living* publisher Southern Progress Corp. Chairman and chief executive officer Emory Cunningham "would rather close down" than delve in any "downbeat stuff about the South." The personal strategy: "We like our editors to live the same lives our readers live. That keeps our feet on the ground."

Southern Living, his flagship, celebrates area living. Since the South is the country's fastest growing market, and since, at 2,318,824 circulation (Audit Bureau Fas-Fax estimate for six months ending December 31, 1985), *Southern Living* dwarfs some popular national books, the magazine claims an unusually high 87.5% national advertising.

The nice book of the North, pocket-sized *Yankee*, likes to consider itself national. Since departed New Englanders spread slightly more than half *Yankee*'s 1,008,581 ABC circulation over other regions, a niche is open for standard-sized, 83,699 ABC circulation *New England Monthly*. More competition comes from the U.S. edition of Canadian outdoor monthly *Harrowsmith*, which is bucking to build its 275,000 circulation in the Northeast.

And then there's the West. The land of the laid back is covered well by *Sunset*, a 1,407,880 ABC circulation "magazine of Western living." California accounts for more than half of that audience, and the state is divided into three zoned editions.

What these regionals and their more

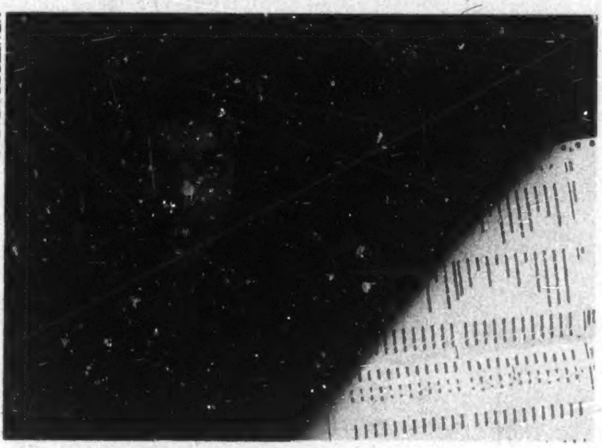
finely tuned state and city rivals offer is access. Advertisers buy them much like they buy spot tv or spot radio. Michael Calman, chairman of CRK Advertising, in-house agency for Calvin Klein Industries Inc., is adamant: "You look at the market first. That's why you're using a geographic book."

For others, such as Bob Zach, vice president, media director at Chiat/Day, regional magazines are appealing for "flexibility. Their local market penetration is better, and you can negotiate for positions rather than rely on the production manager's whims." While national magazines boast lower full-run CPM's, they pass on press run break costs; the resulting premiums often make a national book's regional editions more costly than regional magazines. For example, the Texas edition of *Business Week* carries a $93.00 four-color circulation CPM and the Southwest edition of *Fortune* carries a four-color circulation CPM of $111.67, whereas a four-color page in *Texas Monthly* goes for $43.72 per thousand circulation. "The nationals' premiums are understandable," says Zach. "But are you willing to pay for their production problems?"

For Pat Kane, director of advertising for Beatrice U.S. Food Corp., those premiums can "give regionals a leg up on national competitors." But while the CPM of regionals is generally lower than for geographic editions of national magazines, breakouts by demographic traits tend to offset this advantage. "On a total reader base, CPM is competitive," Kane says. "But when you take out the market you're looking for, you start to see a bump." Kane is trying to get national magazines to waive regional premiums for products that won't ever attain national distribution.

"CPM's are a problem," admits Tom Marshall, publisher of *Louisiana Life*. "Media planners take a look and ask, 'Why don't I just buy Media Networks?' " Media Networks packages local buys of national magazines in 178 markets. Advertisers get a convenient buy, but marketing director Jim McAleer admits "the CPM's won't come down." Even so, says Marshall, "There's still a perception that regional magazines are a luxury that is to be bought after everything else."

That perception extends even to such believers in regional magazines as Russell Berg, who retires this month as director of marketing communications at Hewlett-Packard. While he feels local merchandising and local identification make regionals a valuable part of the mix, he's quick to put them in perspective: "Regionals augment national advertising. It's not an argument between national and regional.


STEVEN BEGLEITER

NBN's Camille Harris networks business regionals to help the regionally minded make an easier buy.

Networks seem an obvious way of broadening regionals' appeal, but they can be tricky. Often the magazines involved are dedicated to their differences. That's one of the headaches Beatrice's Pat Kane cites with a sigh: "dealing with the different editorial styles and demographics by market."

Kane also spots the seller's problem with national regional magazine networks: Who gets the money for deals arranged out of state? That simple procedure set off enough of a squabble to help discontinue a national network organized by the City and Regional Magazine Association after only a year of selling. Meredith's Jim Autry is convinced the effort was too early and "the network's time will come," but others aren't so sure. Accordingly to the CRMA's Whit McDowell, executive director, advertisers confronted with a confusing web of sizes, CPM's and discounts didn't consider the network a worthwhile national buy.

Such confusion has been lessened for the little guys in business publishing thanks to Camille Harris, ex-*California Business* vice president, sales and marketing, who runs the National Business Network for Regional Business Publications. At its launch in 1984, Harris hoped NBN would account for 5% of its member magazines' ad pages. It now accounts for 10%, she says, and should account for 20% by year end.

To lure dollars away from newspapers, president Harris gets clients' marketing mandates and groups magazines from NBN's 125-magazine, 2.3 million circulation membership. And Harris likens NBN to a media buying service; the network drew up media plans for more than 1,500 agencies and advertisers in 1985. Major telephone outfits AT&T and MCI reach their scattered markets with NBN buys, while Cutty Sark buys a scotch network NBN designed. "NBN is also a neat idea for clients who want to advertise in a business environment but aren't ready to pay for national exposure," says McCann-Erickson's Roberta Garfinkle.

Cost and inconsistent quality are NBN's drawbacks. Though a self-professed proponent of city and regional books, Doyle Dane Bernbach's Paul Zuckerman considers NBN "too much to swallow at one time" and quarrels with the poor quality and lack of audience data of many magazines. "NBN saves you paperwork, but there's no real cost efficiency," adds Chiat/Day's Bob Zach. "One order, one bill saves the agency money. But what does it do for my client?"

Such reservations are enough to give second thoughts to the big publishers as well. Time's Kelso Sutton has considered cross buys of Time Inc. regional editions with Southern Progress properties, but decided "the time is not right yet." As for Meredith, "The jury is still out on whether this is a good thing for us to do," admits Autry of his envisioned regional network. "I've got my fingers crossed." ■

Southwestern Bell's Al Parsons intends to move his "fingers" across the map.

RUN DON'T WALK

That's the motto of the seven regional Bell companies which, to some advertisers' chagrin, are pumping out directories furiously.

by Rebecca Fannin

Never let it be said that the yellow pages are not colorful. Since the 1984 breakup of AT&T, the lucrative yellow page directories have blossomed into a hotbed of competitive activity. The seven regional Bell companies, which had been expected to fade into the sedate world of regulated monopolies, leaving new business opportunities to the AT&T Co., are so charged up with aggressive marketing plans that many retail advertisers worry their favored vehicle for referring and closing a sale may end up too cluttered.

Indeed Southwestern Bell has gotten so aggressive — moving well beyond its regional base with both new kinds of books and just ole' competitive models — that some of its Bell cousins are getting hot under the collar. Nynex Information Resources is taking some aggressive actions to blunt Southwestern's move into its lucrative Manhattan market.

Overall, the "Baby Bell" companies, which wolf down $5 billion of the $6 billion directory business, and have to petition the courts for new ventures, have begun publishing in earnest. In addition to the standard yellow page listings, targeted directories for senior citizens, magazines for people who have recently moved and competitive directories far from their regional homebases have all appeared or are just about to.

All this activity is raising concerns from advertisers. This group is worried that the medium may become crowded with me-too directories. Yellow page competition, they admit, could bring down soaring ad rates, but may prove a bane in that the advertiser will have to be in more than one directory per market to cover it effectively.

At BBDO Yellow Pages Marketing, for example, senior vice president Kevin Keary says the agency is already pulling out demographics and profiles of customers to make selections among many directories in a market. "We have to see if new directories compliment or compete with existing directories," notes Keary.

Undaunted, the Bell operating companies are rolling along. Southwestern Bell, for instance, the largest yellow page publisher with an estimated $850 million in revenues, plans to launch directories competing directly with Nynex's Manhattan book this year and Bell Atlantic's in the Washington and Baltimore areas next year. These ambitious programs come on the heels of Southwestern's national expansion of the Silver Pages, a discount directory for senior citizens which should be in 90 markets by the end of 1986.

"It's becoming a highly competitive business because of the elimination of geographical boundaries," proclaims Al Parsons, president and chief executive officer of Southwestern Bell Publications. "But now that there are seven separate regional Bell companies, what we are looking to do is fill consumers' needs wherever they are."

To facilitate Southwestern's national movement, the company has purchased the New York Yellow Pages, a series of neighborhood directories; J.C. Blake, a community directory publisher; and Mast Advertising & Publishing, the nation's 12th-largest directory publisher and a sales agent for other telephone companies.

NATIONAL YELLOW PAGE ADVERTISING

1976	$161.2 million
1977	$180.3 million
1978	$208.3 million
1979	$241.4 million
1980	$291.8 million
1981	$330.4 million
1982	$379.9 million
1983	$432.7 million
1984	$488.7 million
1985	$580.0 million

Source: National Yellow Pages Service Association.

Not lazy itself, BellSouth Enterprises has been gearing up for national distribution, but with a different strategy. "We don't intend to go across the country publishing papers," says Larry Taylor, group vice president, advertising and publishing for the second-largest directory issuer. "But what I am trying to do is build an organization so that we not only sell ads and publish directories, but also print, compose and distribute the directories." Two years ago, BellSouth bought TechSouth, a photocomposition outfit. Last year it purchased Stevens Graphics, the second-largest yellow page printer, and this year the company is acquiring L.M. Berry & Co., the second-largest yellow page sales representative.

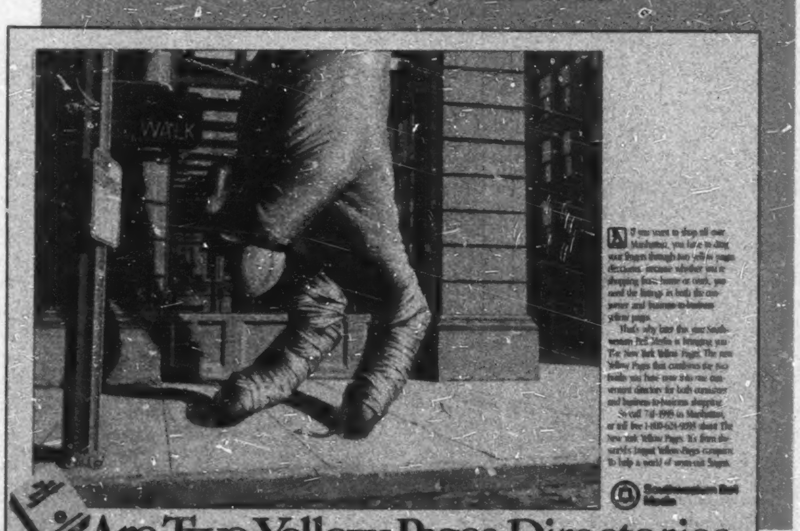
Similar scenarios are being played out across the country as the directory business explodes. U.S. West Direct, scurrying to keep abreast of its competitors to the East, has recently picked up three independent directory companies in San Diego, Louisiana and Houston. "It's a wide open market," says Phil Unger, marketing director for U.S. West's publishing subsidiary. U.S. West additionally has begun publishing telephone directories for the Salt Lake City, Albuquerque and St. Paul markets.

In the New England area, Nynex Information Resources also has gotten into a number of other publishing ventures. Nynex already publishes the Spanish yellow pages for Manhattan and parts of New Jersey, and is planning to bring out a quarterly consumer magazine, *Changing Homes*, that would be distributed to people who have recently moved. Add to these efforts a trial introduction of an operator-assisted yellow pages service. Cutely called Hello Yellow, the service enables callers to request the type of business or service they want, the preferred location and additional information, such as hours of operation. A boater's directory listing marine supplies is also on Nynex's calendar for unveiling next February. "We're looking to fill market niches throughout the Northeast area," notes Bernard Bloomfield, director of marketing services at Nynex.

R.H. Donnelley, the largest yellow page sales representative and independent publisher, is seeking to break down some boundaries of its own. The Dun & Bradstreet subsidiary has been advancing as the publisher of directories in markets throughout the Sunbelt and plans to announce a competitive directory in the Philadelphia market this year.

"These publishers have a real thirst to enter and succeed in new businesses," points out Howard Anderson, a consultant with the Yankee Group. Through their efforts to target new

No knock-off's for this Manhattan upstart. Newspaper ads claim the Southwestern combined directory is easier to use.


WALK
Are Two Yellow Pages Directories Working Your Fingers To The Bone?

groups for directories, they are following the lead of the magazine industry, which branched out from broad general interest magazines to specialty publications, he adds.

Increased competition among yellow page publishers should have the welcome effect of lowering ad rates. "Yellow page rates have been growing at about 12% per year, but we believe that the rates will come down to 8% now," predicts Richard O'Gara, senior vice president of Telephone Marketing Services, a subsidiary of Doyle Dane Bernbach, which places national yellow page ads for IBM, Michelin Tire, Audi and VW.

But any possible savings may be eaten up by the necessity to appear not only in one yellow page directory per market, but perhaps several. "What bothers us is that when they split the directories, the sum of the parts is always greater than the one. Then we end up paying a premium for both," complains Dave Dawson, director of advertising for Ryder Truck, one of the largest yellow page advertisers with a national budget exceeding $6 million. "If the yellow page medium does become competitive and cluttered, then we will have to look for alternatives," he warns. But Dawson recognizes that yellow pages would be hard to replace. "We call yellow pages the last three feet of our sale. If we were a packaged good, then it would be our shelf space," Dawson enthuses.

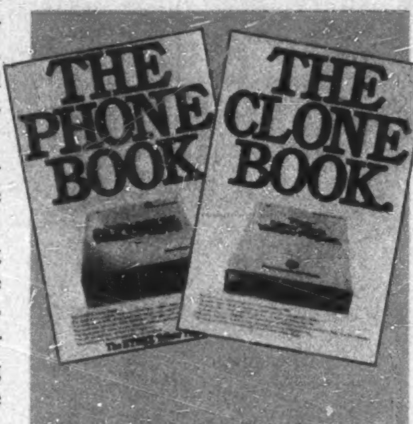
Fred Smykla, executive director of the National Yellow Pages Service Association, (NYPSA), the 10-year-old bureau for the medium, disagrees that the medium will become too cluttered. "If you compare it with radio, where there are numerous stations in a market, then you can see that each directory, like each station, could fill a need," Smykla points out.

The awareness and usefulness of yellow pages would be hard to replace, he continues. According to a study commissioned by NYPSA and conducted by Statistical Research Inc., 17.8% of all adults use yellow pages on a typical day, and 47.7% of those referrals result in a purchase within 48 hours. Additionally, 98.8% of all adults indicate familiarity with the yellow pages.

Yellow page publishing has become more attractive as the medium has prospered. Yellow page revenues are forecast to hit $8 billion by 1988. National ad revenues, which represent 10% of the total revenues, have grown from $161 million in 1976 to $685 million last year. Projections are for $1 billion in national ad revenues by 1990, according to NYPSA.

The business can also be quite profitable, points out John Bain, an analyst with Shearson Lehman/American Express. "The phone companies create the ads that run in the directories, but 40% of the time, they don't have to change those ads," he says. "So the editorial is provided to these publishers relatively inexpensively. Profit margins can run as high as 40%."

While money can be a powerful lure, the recently-charged yellow page publishers do not seem averse to undercutting the competition price-wise as tactic for getting a new book launched. Southwestern Bell's planned directory for Manhattan, for instance, aims to gain a leg up on the Nynex directory by combining both the business and consumer directory in one and selling it more cheaply. Nynex publishes two separate directories. Ad rates that average about 40% less than the Nynex books are also part of Southwestern's gameplan. "We don't intend to be a discount house, but we want to offer a quality book that is easier to use," says Southwestern's Parsons. The Southwestern directory, which is being advertised with radio, outdoor and transit ads as the official New York Yellow Pages through ad agency Gardner Advertising, a division of Wells, Rich, Greene, is planned to contain community information pages, zip code listings, maps and guides to products and services.



Nynex says it has the phone book, not the clone book.

RICHARD FLYNN

DDB's O'Gara predicts rivalry will lower ad rates.

"Southwestern Bell's entrance to Manhattan didn't really surprise us. They have been very aggressive about acquisitions and their Silver Pages is another clue of their ambitions," says Nynex' Bloomfield. But Bloomfield claims Nynex is ready. "We believe we have a really strong product. Through studies we have done, we know that four out of five adults in Manhattan use the Nynex yellow pages every week. We also know that public awareness of the Nynex name has increased from 50% immediately after the divestiture time to over 80% currently," Bloomfield points out.

An aggressive ad campaign handled by Chiat/Day also boosts Bloomfield's confidence. Two-page spreads in New York newspapers plus radio and tv spots shout down Southwestern's yellow pages as merely a clone.

Retaining an official identity could prove difficult, however, because neither the walking fingers insignia nor the name "yellow pages" are proprietary. Southwestern Bell, for instance, displays the walking fingers symbol as well as the "world's largest yellow pages company" in its ads.

The ultimate judge of how well these new directory publishers will fare will be the yellow page user. With time at a premium, people will not leaf through reams of pages from competitive directories just to find out where they can get the car's muffler replaced. ■

LEIF SKOOGFORS

Campbell's Bill Boundy (left) and Tony Adams credit electronic tests for successful new products.

HOW TO AVOID TEST MARKETING TRAPS

Ten points from Campbell's marketing pioneers.

The odds against coming up with a new product winner and the extraordinary cost of rolling a brand out nationally cry out for wisdom on how not to be a loser. But even with high-tech test marketing that marketers could only dream of 15 years ago, golden success is still not certain.

Two seasoned test market veterans, Tony Adams, director of market planning and research for Campbell Soup, and William B. Boundy, manager of test markets for the same company, attest to the dangers of failing to use these new scientific tools properly.

In their joint "thesis" on how not to err in the costly and risky game of new product introduction, they track Campbell's experience with electronic test marketing and define just how to avoid some of the mistakes this well-respected marketer has made itself.

Rebecca Fannin

Even with more precise methods of forecasting, big product winners are the exception rather than the rule. Nielsen data (Table 1) show the success ratio has fallen from 53% to 35% in 15 years. In addition, Dancer Fitzgerald Sample data (same table) demonstrate that of more than 9,000 new products introduced since 1970, only 1.4% achieved $15 million in sales or better.

Yet the astronomical cost of new product introduction beckons for ways of better gauging the success rate. Attempting a national launch with less than $20 million probably dooms an entry to vanish without a trace.

At the same time, however, the slow U.S. population growth rate means that any company depending solely on mature products is bound to go downhill.

Despite these hurdles, Campbell has mounted an aggressive new product program and has amassed the kind of record that would qualify it for a sort of new product Hall of Fame. (See Table 2, illustrating the top 17 new brands since 1970.) Campbell's track record is maintained by heavy reliance on electronic test marketing. Currently, 80% to 90% of Campbell's testing is conducted through new technologies in contrast to the period from 1969 to 1982 when only nine out of 42 tests were electronic.

Established products, too, also stand a better chance of retaining sales volume since the advent of electronic test marketing. A BehaviorScan test of alternative advertising campaigns led to the current "Dinner with the Swansons" ad campaign, which has helped to reverse the brand's downward trend. (See Table 3.)

Scanner-based tests, in addition, have enabled Campbell to run fairly complicated designs that would either have been impossible or prohibitively costly. For example, in one four-market test run over a 14-month period, both established brands and new products were in the mix while at the same time two advertising tests and three new product tests were being conducted.

One other especially important thing Campbell has learned is that in this era of efficiency in spending every dollar, electronic testing can make all the difference. In one case, where diary panels versus electronic costs of running a standard mini-market execution were compared, the savings amounted to $150,000. That translated into the ability to run five tests for less than the price of three traditional ones.

But Campbell admits, however, that there is a lot electronic testing will not do, and a lot of mistakes that can be made through careless use. Based on Campbell's experience (and the company admits it has made plenty of mistakes) and that of its suppliers, here are ten guidelines to help prevent future mistakes.

This list applies to both traditional and electronic test marketing.

Table 1

NEW PRODUCT SUCCESS ACHIEVEMENTS SHRINK AS CRITERIA TIGHTEN AND AS TIME GOES BY

Source	Date	Criteria	Success Ratio
A.C. Nielsen	1962	Rolled Out of Test Market and Achieved 50% Distribution	53%
A.C. Nielsen	1971	Rolled Out of Test Market and Achieved 50% Distribution	47%
A.C. Nielsen	1977	Rolled Out of Test Market and Achieved 80% Distribution	35%
Dancer, Fitzgerald, Sample, Inc.	1980	$15 Million or More at Retail	1.4%

Table 2

TOP 17 BRANDS SINCE 1970

Brand	Manufacturer	Annual Retail $ (millions)
*Lean Cuisine	Nestle	[illegible]
Chunky Soup	Campbell	[illegible]
Minute Maid Refr. Orange Juice	Coca-Cola	[illegible]
*Le Menu	Campbell	[illegible]
*Prego Spaghetti Sauce	Campbell	[illegible]
*Yoplait Refrigerated Yogurt	Yoplait	[illegible]
*O'Grady's Potato Chips	Frito-Lay	[illegible]
Pringles Potato Chips	Procter & Gamble	[illegible]
*Citrus Hill Refr. Orange Juice	Procter & Gamble	[illegible]
Brim Coffee	General Foods	[illegible]
*Budget Gourmet	[illegible]	[illegible]
*Equal Ots. Sweetener	Searle	[illegible]
Cheerios Honeynut	General Mills	[illegible]
*Dinner Classics	Armour	[illegible]
Tender Vittles Cat Food	Ralston Purina	[illegible]
*Kool Aid Sugar Free	General Foods	[illegible]
Swanson Hungry Man Dinners	Campbell	[illegible]

*Represents new brands introduced since 1980.

SOURCE: Campbell Marketing Research

1) *Don't test what you can't execute.* The most common reason for roll-out results not living up to test is failure to implement the test plan.

2) *If you change the test plan, be sure to change the test objectives as well.* Test marketing is a learning experience, but never forget that tinkering with any one element can affect the whole.

3) *Don't load the dice.* There is a great temptation to front-load advertising and promotion spending, in the (vain) hope of getting a quicker reading. It just won't work. The electronic media haven't shortened the time required to make an accurate forecast.

4) *Don't smother the baby with attention.* Over-attention confuses the desire to make the product a success with finding out *if* it is a success. The symptoms include: frequent field visits to tell your own people and trade how "important" the product is; atypical sales time spent in making the product more available; and the ad agency attempting to secure test markets with above-average tv coverage.

5) *Don't set up unrealistic in-store conditions.* Extra facings, displays and eye-level stocking simply aren't going to be matched nationally.

Table 3

SUCCESSFUL TESTS BRING BIG PAYOFFS

"DINNER WITH THE SWANSONS" COPY
VS.
"GOOD SQUARE MEAL" COPY
AT THE SAME SPENDING LEVEL

	% Improvement
Test (48 Weeks)	+ 13.9%
Real World (24 Weeks)	
Regular Dinners	+ 18.3%
Total Swanson except Le Menu	+ 9.[illegible]%

6) *Don't change objectives to fit the results.* (Cases of serendipity do occur; otherwise penicillin might never have been discovered.) More likely, if somebody changes the rules after the data are all in, he or she is trying to salvage a lost cause — or worse yet, didn't have the objectives clearly in mind to begin with.

7) *Don't pick inappropriate test markets.* This one may sound elementary, but believe us, it can happen. You probably wouldn't locate an orange juice test in Florida, or one for a soap right under Procter & Gamble's nose; however, subtler examples of this error are not infrequent. Picking the right test markets requires as much intuition as science. There was a movie shortly after World War II called *Magic Town* in which Jimmy Stewart played a pollster who discovered the absolutely typical American town. There aren't any magic towns these days.

8) *Don't test market in the wrong season.* Products introduced out of season are difficult to project in a single six-month interval. Adhere to the appropriate seasonal introduction or, alternatively, extend the forecast time.

9) *Don't fail to conduct consumer research.* Sales statistics and forecasts are fine. But without any qualitative information shedding light on why people bought the product, you're not going to know how to exploit its full potential.

10) *Don't forget human nature.* Realize that although measurement is faster and more precise, human nature is still the same. Getting readings of awareness, trial, and repeat may take as long as ever. ■

HOW TO PICK THE BEST NEW PRODUCT LABORATORY

Ira Weinblatt, senior vice president of Dancer Fitzgerald Sample, explains how difficult and critical it is to choose test markets that will not just guarantee success of a new product, but will tell the truth. Detailing how DFS selects markets for its recommended list, Weinblatt proves this selection process is no simple task. A DFS market must meet several standards.

1) The number and type of media availabilities must be comparable to the national average for each medium being used. For example, testing a tv plan in a one station market is dangerous. Different reach/frequency patterns will show up than in the normal multi-station market. Similar problems arise in testing a magazine plan entirely in national Sunday magazines because of a lack of magazine vehicles.

DFS' Ira Weinblatt

2) There should be a minimal amount of media spill either out of the market from originating media or into the market from neighboring cities. Not only is spill wasteful, but it can complicate delivery of audience coverage. DFS won't go into any market with more than 20% of the signal going into or out of the test market.

3) The market population should be neither too large to be considered atypical nor too small to be truly measureable. For DFS, this means no smaller than 125,000 and no larger than 1.5 million. The critical demographics should also ideally be within 20% of the U.S. averages.

4) Local media costs can't be exorbitant. Otherwise, it will be eliminated automatically. In addition, the media in the test market has to have a good record of strictly adhering to marketers' schedule of ads.

5) Sales development of a product should closely correspond with national sales performance for the category.

6) Finally, be prepared to explain to the new products manager, who will have to make frequent trips to the test markets, why New York, Los Angeles, San Francisco, Denver, Phoenix, Miami and New Orleans won't be in their flight plans. ■

skew (115 usage index in pay homes vs. a 95 media delivery index in pay homes).

Step IV. To correct this, the Nielsen Cable Activity Report must be analyzed next. All ad-supported networks should be analyzed to determine which of them, if any, *over-deliver* in pay homes. Not any basic network will do, since most over-deliver in basic and under-deliver in pay. This step may take some time because the individual pay/basic ratings must be broken out manually. You should use the CAR report closest to your planned flight dates since the outcome will differ from quarter to quarter.

Step V. You will now know which basic networks you could use. It is then a simple matter to cost them out (at different budget levels) to determine for X dollars spent on Y network, the return is Z% more GRP's in pay homes than basic homes. You will then have an idea of which networks to purchase, and you will be able to calculate how much cable money to spend to reach the +15% GRP goal in pay homes.

You must of course temper the results of your analysis with the real world. The networks which over-deliver in pay may not make sense against the specified target (i.e., MTV against men 35+). Efficiencies or availabilities may also preclude you from selecting one or more of the "desired" cable networks.

In conclusion, it is only through much analysis that correct funding and proper cable network selection can be understood. ■

MAGAZINES

by Stephen Jacoby

Vice president,
associate media director,
Ammirati & Puris/New York

NEGOTIATING RATES — WHAT'S NEXT?

To media professionals dealing with the magazine industry, everyday seems to bring something different in regards to a fairly recent phenomenon in our business — rate negotiation. Some magazines will, some magazines won't. Other magazines are willing to "talk" (and once at that point, you know they're going to deal). There's a covert, suspect feeling about it all — very different from broadcast negotiation.

I heard a story last week in which two different media groups within the same agency paid substantially different rates for the same special issue of a publication. Certainly this is the way of the world in the broadcast business. However, this way of dealing with magazine rates has got everyone guessing which way the industry is going and, even more importantly, which way the industry *should* be going. There are some fundamental issues that get raised here.

For the past several years, advertisers and advertising agencies have put pressure on the networks to control their rates. Largely they have been unsuccessful. Now the pressure is being put on the magazine industry to lower their rates, and the business seems to be bending.

I believe this is short-term thinking. With television getting an estimated 21.8% of the advertising dollars in 1985 and magazines getting 5.7%, pressure should still be leveraged against the networks — this is where the greatest advertiser savings result will be realized anyway.

Continuous pressure is placed on the media planning community to find and negotiate the best possible rate. In 1985, an estimated $96 billion dollars was spent in advertising, over $20 billion of that in television and $5.5 billion in magazines. Television wins out five to one. Now look at the picture with cost per thousand trends in relation to Gross National Product (GNP) and Consumer Price Index (CPI) trends. (See chart below.)

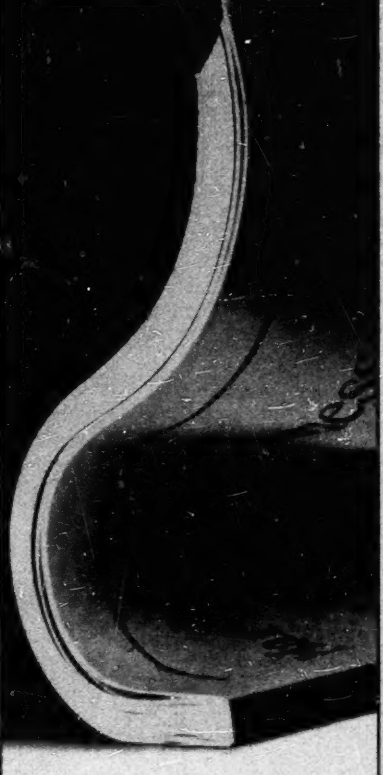
The real offender and cause of eroding media dollars is broadcast, but we

U.S ADVERTISING MEDIA COSTS INDEX

Cost Per Thousand
(Base = 1980)

	GNP	CPI	Network TV	Spot TV	Newspapers	Magazines	Net Radio	Spot Radio	Direct Mail	Outdoor
1985	148	130	163	155	156	146	157	148	129	157
1984	139	126	151	146	146	136	146	136	120	146
1983	128	121	134	133	134	125	137	128	123	136
1982	117	117	123	123	123	118	124	119	122	124
1981	112	110	110	111	112	108	113	111	112	115
1980	100	100	100	100	100	100	100	100	100	100

Source: Media Trends 1986.



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continue to put pressure on the more efficient vehicle, magazines, to take up the slack.

And as a result of that pressure we are seeing funky, "creative" rate structures which often require a planner to be a "doctor of the rate card." When one considers added business incentive plans (over a period of years), complex corporate rates, buy-six-get-one-free deals, group magazine discounts and the like, it seems to me that planners are spending more time figuring out a magazine's rate than actually designing the plan. Not only does the planner have to understand which magazines are best for our clients, he or she now needs to understand rate structures that 1) change almost weekly, and 2) are so complex it takes valuable planner hours to decipher the appropriate rate (and then hope the plan doesn't change in the middle of the year).

We are all for getting the best possible rate for our clients. What is needed, however, is structure. There cannot be so many grey areas where rates are concerned. We encourage the magazines to find and offer clearly the lowest price available to *all* of their clients, and agencies to continue to pursue covering the cost of network television. If, however, the current trend continues, I believe the magazine industry will end up hurting itself in the end. ■

RADIO

by Dennis McGuire

Spot radio supervisor,
Cunningham & Walsh Inc.

THE SWITCH-PITCH

"Dennis, we really have to talk about this buy!" This is a phrase that inevitably greets me a day or two after I've put a multi-market buy to bed. The speaker of course is a dis[illegible] appointed (and sometimes disgrun[illegible] . . . dare I say disagreeable?) radio salesperson who has just been shut out. The quest of the salesperson is to convince me that I made a mistake in not utilizing the rep's station. This is no small feat to accomplish since, in essence, the salesperson is telling me, "You're wrong." I have a low threshold for criticism after an involved buy.

The switch presentation must be handled in the best possible way so as not to alienate the buyer. Let's look at the situation from the perspectives of the station sales manager, the salesperson and the buyer (a media "Rashamon," if you will).

The sales manager: The sales manager is most removed from the situation and depends almost entirely on the input he receives from the salesperson. Sometimes the manager gets involved in the negotiating process. But by and large, this is unusual and the salesperson is the primary contact. The rep may report periodically on the status of the buy and the negotiating developments that have ensued. And if it's a matter of a loss, the rep may vacillate a few days before reporting the shut-out to the sales manager. Eventually he finds out and after some hand-wringing (depending on the potential dollars lost) he instructs the salesperson to re-pitch the station in the [illegible]pes of salvaging some of the bu[illegible]

Now in [illegible] drama the sales manag[illegible]e most. His station h[illegible]ed from revenues that [illegible]bute to his budgetary goal. The manager doesn't care if the salesperson scored in nine of a possible 10 markets up for business. He's only concerned about his station and preventing further losses, and rightly so.

Now we come to an all-important point. How viable is the station as a broadcasting vehicle for the client's business? This viability is measured in terms of costs, formats, qualitative data children at home to support.

Magazines also have responded to the growing number of women in the work force. Since 1976, three publications — *Working Woman, Working Mother* and *Savvy* — were created specifically for women who work outside the home. Also, most of the Seven Sisters publish columns and/or major articles geared to women who work outside the home.

With the changes in the media, there are differences in the viewing, listening and reading habits of working women and full-time homemakers.

- Working women spend 20% less time with all media than homemakers.
- Working women read 20% more than homemakers.
- Working women listen to radio 20% more than homemakers.

The increased radio listening of working women is correlated to decreased daytime television viewing, which has fostered the growth of a midday listening audience. However, daytime television aside, women who work outside the home watch as much television as homemakers.

Another similarity between the two groups is in their magazine reading habits. Working women read an average of seven magazines a month, while homemakers read an average of five. The readership of the women's service magazines is divided fairly equally between the two groups.

Working women, however, are three times as likely to read business magazines, such as *Business Week* and *Fortune*, and twice as likely to read news or beauty publications as homemakers. In fact, women comprise 30% of the readership of business magazines and nearly 50% of newsweekly publications, such as *Time* and *Newsweek*.

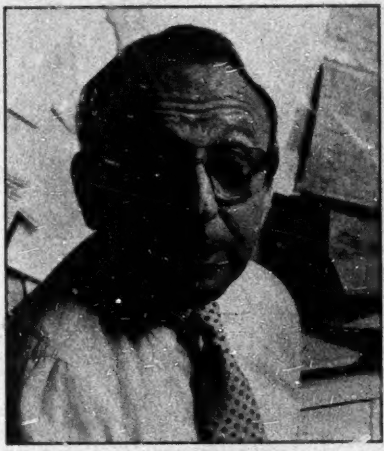
Though women entering the work force are altering their media use habits, they continue to retain many of their traditional roles. For instance, women who work are still mainly responsible for household chores and tending to the children. Television, to some extent, reflects the double-job reality of women who work for pay.

The metamorphosis of women from June Cleaver to Clair Huxtable has created new challenges for marketers. The changing roles of women who enter the work force, and the resultant changes in their media use habits, combined with the retention of some traditional roles and behaviors for many women, can create a bewildering array of possibilities for marketers. As a result, the biggest challenge facing marketers today is to find the middle ground. ■

NEWSPAPERS

by Jack Cohen

Vice president, director, print/outdoor media buying, Doyle Dane Bernbach/New York



LARRY BARNES

THE DOLLARS & SENSE OF NATIONAL AD RATES

Just two months ago, I had the pleasure and privilege of addressing the Newspaper Advertising Sales Association (NASA) membership in New York City.

At the luncheon, I expressed my thoughts on the newspaper medium and applauded newspapers for the many positive steps they have taken as a medium in the past dozen years. Some of these accomplishments are: standard advertising units (SAU's) which simplified the buying process for agencies; syndicated research which provided necessary audience demographic data; and special interest sections which created greater reader involvement.

However, we would be deluding ourselves, and certainly not facing up to reality, if we ignored the fact that from an advertising revenue position, the newspaper industry is hurting. Many advertising categories that were previously strictly the domain of newspapers have now revised their media

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M18+ VPVH 11/85 GWSC RESEARCH
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Chart A

MAJOR MARKET NEWSPAPERS COST/CIRCULATION COMPARISON 1980–1986

Newspaper	January 1980 B&W page cost	January 1980 Circ. (000)	January 1986 B&W page cost	January 1986 Circ. (000)	Cost % change	Circ. % change
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

SOURCE: January 1980 & January 1986 Newspaper SRDS.

plans to include other media. Newspapers' share of total advertising dollars continues to decrease; it now stands around 50%, and the national advertising share has dwindled to approximately 8%.

From discussions with clients and other agency executives, what appears to be the stumbling block for newspapers is cost inefficiency. Very simply put, the medium has outpriced itself to the national advertiser.

Cost efficiency: To best illustrate this point, we have taken 10 daily newspapers which appear regularly on newspaper buy lists and did a "page cost/circulation growth" comparison between 1980 and 1986 (see Chart A).

In the five year period, the average cost of a black-and-white page in the 10 papers studied has increased by 111%, while circulation has only increased 12%. Regardless of what rationale newspapers may provide for this huge imbalance of heavily increased costs versus minimally increased circulation, the bottom line is an extremely high CPM and an out-of-pocket expenditure that is beyond the reach of many national advertisers.

To secure an increased share of national advertising dollars, newspapers must become more cost efficient.

Rate differential: Back in 1980 when Newsplan was introduced, space volume discount availabilities (sliding scales) grew from 91 newspapers to some 1,500 newspapers currently. We at the agencies were told this would help narrow the differential that had existed between national and retail rates. Let's take a look at what's happened in the last five-year period since the 1980 introduction of Newsplan.

What is most troubling about the rate differential is that not only does the gap continue to grow, but the greatest differential is in the large circulation newspapers which are allocated the major portion of available national advertising dollars. In some major circulation newspapers, the differential is as high as 160% (see Chart B).

There is no longer any justification for these vast rate differentials. I believe a 25% differential (15% agency commission plus 10% for reps, travel time, etc.) is fair and acceptable as a single rate structure. The timeworn excuses that retailers cannot use the entire circulation of a newspaper no longer

Chart B

NATIONAL VS. RETAIL RATE COMPARISON PERCENT NATIONAL HIGHER THAN RETAIL

Circulation Range	1980	1982	1984	1985
250,000 +	+68.54%	+80.93%	+67.24%	+94.41%
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
50,001–100,000	41.51	35.49	53.65	52.69
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
Under 25,000	25.00	35.02	38.18	48.26
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Source: American Assn. of Advertising Agencies holds true, for in many markets retailers have the option to buy zoned or regional editions. Furthermore, major retailers not only buy the full circulation, in some instances they even buy total market coverage (TMC) packages to blanket the area.

Obviously, Newsplan has not had the desired positive effect in reducing the rate differential. The newspaper medium must now investigate other avenues.

To ask newspapers to drop their national rate by 65% — one of the suggestions offered at a recent newspaper meeting — is unrealistic and will never fly with newspaper management. We continue to advocate that the rate differential be decreased gradually by annually increasing the retail rate at a greater percentage than the national rate. This suggestion is not as revolutionary as that 65% decrease in one fell swoop, but it is evolutionary, far more practical and would meet with greater acceptance by the newspapers.

It should be mentioned that this game plan must be adapted by the medium as a whole. If only a handful of newspapers participate, this plan will meet with the same failure as in the past when several individual newspapers attempted a single rate structure.

The reason they failed previously is that national advertising is bought on a multi-market basis and, as noted earlier, newspapers as a medium must be cost efficient and attractive to become part of the media plan. It is only after the medium has been selected to be part of the media mix that specific newspaper selection begins, so as efficient as any single newspaper may be, if the medium is not being used, they're out.

The problems are severe, but certainly not insurmountable. If newspapers could only agree (and heaven knows newspaper publishers have never been accused of collusion) that national advertisers desperately need rate equalization and more efficient newspaper CPM's, we believe the newspaper medium can recapture the stature and share of national advertising dollars it enjoyed in earlier days.

It is indeed a matter of dollars and sense. It means additional ad dollars for the newspaper medium and it makes sense to national advertisers. ■

OUTDOOR

by Judith Monosson
Associate media director,
Quinn & Johnson/BBDO/Boston

NEW USERS, NEW USES

Traditionally, outdoor is thought of as painted rotary boards or poster panels. The painted bulletin measures 48 feet long by 14 feet high and is referred to as 24-sheet, 20-sheet or bleed posters, depending on size. Actually, outdoor has been around since 3200 B.C., when the Egyptians engraved the walls of their temples. Outdoor continues to be a viable medium and continually adapts to the times — evolving from painted boards to electronic boards to solar-powered boards to video billboards.

The leading product categories in outdoor boards have been the tobacco, beer, wine and liquor industry. Now, with the ever-increasing cost of television, many categories are beginning to consider the use of outdoor.

This table below demonstrates that while tobacco, beer, wine and liquor categories have remained relatively stable, there has been a substantial increase in such categories as business/consumer services and retailing. According to the Institute of Outdoor Advertising, these two categories have more than doubled their outdoor spending in the first half of 1985 alone.

Outdoor provides the final link between point-of-sell and the point-of-sale. Other media are heard or viewed in the home, but the buying is done out-of-home. Outdoor is big, bold and colorful, larger-than-life, which makes

THE UPS AND DOWNS OF OUTDOOR

1984 Rank	Category	Ad Revenue 1984 (000)	Ad Revenue 1983 (000)	% Change
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]
[redacted]	[redacted]	[redacted]	[redacted]	[redacted]

Source: Leading National Advertisers

an advertisement difficult to ignore.

Over the past years, outdoor creative has become even more exciting and bold with the help of board extensions. With the added size and flexibility allotted by extensions, many unique and dramatic effects can be achieved. Among those advertisers who've taken advantage of this creative option are Windsor Canadian Whiskey, Toshiba, TWA and Chrysler.

Outdoor is also flexible. An advertiser can tailor showings to reach an ethnic audience, students near a college, or provide directions to a new store location. Advertising may be placed so everyone coming or leaving your specific area can see it, or placed in the busiest traffic locations. In addition, boards may be rotated month to month to cover different locations in and around a city.

On a cost-per-thousand basis, outdoor is less than any other medium (see chart on this page).

For these reasons and more, many more products have added outdoor advertising to their media mix. Some exciting examples of this are the Nike efforts displaying athletes jumping off the outdoor boards, extending beyond the limits, and Calvin Klein's bold underwear boards, which can't help but get noticed. In addition, outdoor advertising has worked hard to keep up with the times, from electronic billboards to backlights to solar-powered signs.

A recent development in the outdoor industry is the Outdoor Network, USA. In the past, buying outdoor was like buying spot tv. Each market had to be analyzed separately. With the formation of Outdoor Network, USA, buying outdoor will begin to change.

The network is an independent group of leading outdoor companies which have joined together and are represented by one company, Outdoor Network, USA. Together, these companies provide outdoor coverage in nearly two thirds of the top 100 ADI's. The advantage of this for a media planner is that with one phone call the Network can provide the groundwork for multiple markets, including costs, reach/frequency data analysis and research support.

	Cost-Per-Thousand	
	Men	Women
Outdoor (posters)	$ 1.70	$ 2.15
TV (prime time—30 seconds)	16.20	12.40
Magazine (page, 4/c)	7.30	4.80
Radio (30 seconds)	4.10	3.30
Newspaper (600 line, b&w)	7.00	5.75

Source: Media Cost Guide, 4th Quarter 1985.

Although this article has concentrated on outdoor board advertising, let's not forget there is a lot more to outdoor advertising than painted or rotary boards. Today, outdoor advertising is only limited by one's creativity. Consider the following ideas: sandwich boards, sky writing, aerial blimps in the shape of the product, aerial banners, grocery carts, buses, taxi tops and bus shelters, to name a few.

So, if you haven't considered outdoor for your client lately, maybe it's about time you did. Outdoor is constantly changing to keep up with the times. Are you? ■

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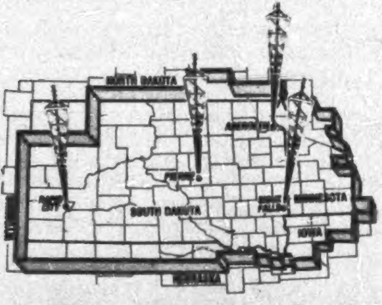
Multi-billion dollar market.
And Kelo•land TV
has it covered!

Tell your advertising story on KELO • LAND TV. You'll be talking to some 100 counties at once. More important, your message will be seen, heard — and acted upon — by hundreds of thousands of people in one of America's key markets. A big, bountiful midwestern market that's considered a must for any true national advertising campaign. There is no other selling force to match it!



kelo·land tv
KELO-TV Sioux Falls, S.D. and satellites KDLO TV, KPLO TV plus Channel 15, Rapid City
Represented nationally by SELTEL In Minneapolis by WAYNE EVANS

BRAND REPORT

NO. 133: CAMERAS

SHARP SHOOTERS

by Carol Hall

Still photography's future is one whose vernacular holds no place for "snap shots" or "shutterbugging." Think instead of "electronic imaging." This future is one in which chemical-based silver halide photography — picture taking as we know it — will be replaced by the electronic, or magnetic, technology of a video camera, and it may happen as soon as 1990 or 2000.

"I think a lot of people have their heads in the sand," asserts Mark Levine, managing editor of *Photographic Trade News*. "Silver halide *will* be replaced by electronic imaging and I think it will come sooner than people think."

For now, the status quo is enough to keep the camera business clicking along. "Almost everyone is involved to a certain extent in photography," explains Ted Fox, director of marketing research at the Photo Marketing Association. It would seem that way, given the fact that about 90% of U.S. households own a camera. Last year, the industry reports, about 12 billion exposures were made, a figure that rises around 5% a year.

According to the Photo Marketing Association, U.S. sales of cameras totaled 17.9 million in 1985, a slight increase from the 17 million 1984 total. The *Wolfman Report*, a trade publication, reports cameras carve out an approximate $1.4 billion piece of the $8.5 billion photographic market. Disc cameras continue to sell the most — though most agree their future is finite — claiming a 26.8% share of the market. Rangefinders (35mm), a burgeoning segment, grew to a 20.1% share from 17.1% in 1984. They were followed by instant cameras' 18.4% market share; cartridge cameras (like the Kodak Instamatics) with a 17.9% share; and single-lens reflex (SLR) cameras with 14.5% of the market's sales. Cameras using other formats, like the twin-lens reflex and prismfinder, claimed a small 2.2% share.

There are lots of reasons why camera sales are rising. Inflation has caused the camera to be de-classified as a "splurge" by many consumers. Since 1977, the cost of cameras and supplies increased about 30%, far less than the Consumer Price Index's rise of 85% for the period. Even the fall in oil prices affects the sales of cameras. More people are likely to top off the tank and take that family car trip — a great reason to get a new camera.

One of the most important factors is technological innovation that has been geared to making better pictures easier for the average consumer to take. "Photography had always been a hobby-type business, more for artistic types," explains Harold Martin, publisher of the *Wolfman Report*. "But when it comes to selling to the mass market, you have to look at it as a commodity."

Ironically, another boon to camera

CAMERA MARKETERS' MEDIA EXPENDITURES
January-December 1985 (000)

Company	Total	Net TV	Spot TV	Mags	Cable TV	Newspapers	Outdoor	Sunday Supplements
Canon	$15,773.5	$5,980.7	$3,081.3	$4,603.9	$1,505.6	$294.8	$307.2	–
Kodak	20,603.2	18,922.9	84.0	1,118.1	56.4	316.5	6.3	–
Minolta	16,701.3	8,881.4	3,044.5	3,967.6	446.0	319.3	42.5	–
Nikon	10,479.4	5,984.3	146.5	3,891.9	318.4	78.5	59.8	–
Olympus	5,303.4	121.8	1,466.1	2,642.3	15.7	965.4	–	92.1
Pentax	4,854.5	3,781.5	4.9	1,023.3	44.5	–	–	–
Polaroid	26,237.5	20,049.3	2,714.6	2,744.2	324.9	404.5	–	–

Source: Leading National Advertisers, Media Records for newspapers; figures include camera and joint camera/related products advertising.

sales has come from the grey, or illegal import, market. Grey sales, which can mean a price that's 20%-40% less for the consumer, cut into authorized retail sales by 25% to 30%, according to estimates. They have brought the price of even the most expensive SLR's within reach of the average camera hound.

The drop in the early 1980's in ad dollars spent on cameras is one result of such grey market growth. "Consumer advertising had been strong until about 1981," the PMA's Ted Fox points out. As for budget cutbacks after then, he says, "manufacturers would tell you the grey market was hurting them too much." Not only did they feel it was hurting their profits, but "they felt they were supporting their own products *plus* the illegally shipped ones," Fox notes.

Yet photo advertising had begun to pick up. Part of that was due to a rash of new product introductions, but Fox thinks there's another reason, too. "It's probably the realization on the part of manufacturers," he chuckles, "that nothing sells itself." According to Leading National Advertisers, 1983's total expenditures for cameras and photographic supplies were $168.4 million. That rose to $173.2 million in 1984, while Media Records reports a $21.7 million total in 1984 in newspapers for the camera, photo supply and services category. A good deal of newspaper advertising is done, but almost always as part of a co-operative arrangement with local dealers.

Last year, by published measures, was a very soft year for camera advertising. The seven-media LNA category total for all cameras and related products and services for 1985 was $155.5 million. Media Records figures an $11.1 million 1985 newspaper total for the category — nearly half the amount reported in 1984.

Camera ads have always been marked by a certain predictability, much like consumer electronics. "I always felt marketing in the photographic industry has been marked by conservativeness; except in rare exceptions, there's been a certain sameness," says *Modern Photography* executive editor Jason Schneider. "The first rule they do not follow is that you have to get the reader's attention."

PMA research backs up this opinion. Of those queried in a recent PMA poll, 30% said their camera buys were heavily influenced by advice from friends or relatives. A camera's brand name swayed 13.2%, newspaper ads influenced 5.6% and magazine ads made a dent in only 2.9% of buying decisions.

Camera ads have always been more at home in print, and television is something of a new medium for much of this industry. While Kodak and Polaroid have always been strong presences on tv, it was rare to see the Japanese makers there. That changed with the 1976 launch of Canon's AE-1, the ultra-simplified SLR that turned that category around and gave a boost to photo sales in general.

Fueling camera sales is the growth of processing "mini-labs." These tiny laboratory/kiosks will develop a customer's roll of film in an hour — the next best thing to instant results.

But instant is what the camera's future is all about via the video camera. Marketers have seen this coming and a number have already either shown prototypes or said publicly that they are working on video cameras that will yield snaps. In 1981 Sony released its Mavica camera — prematurely, most say. Canon says it expects to roll one out soon. The cameras will enable the photographer to play back shots instantly on the tv screen. If a print is desired, a signal is sent to a separate printing unit.

But poor picture quality, especially from an expensive piece of equipment, could put a crimp in sales. Not everyone is convinced that consumers are *that* instant-oriented and convenience-conscious. "Everyone says the great American unwashed won't care," says Schneider. "But even the mass market, know-nothing amateur is still somewhat sensitive to quality."

And, he adds, "You can't carry a movie in your wallet."

DISC CAMERAS

Though disc cameras are still the biggest shutter sellers, their future is fuzzy. Last year, with sales of 4.8 million units, they claimed a 26.8% share of the camera market, having shrunk from a 1984 share of 27.1%, according to PMA estimates.

Kodak has the main share of the disc market, ruling well over 50% of the roost. While other camera makers — Minolta Corp., Keystone Camera Corp., Ansco Photo-Optical Products Corp. — also achieved some disc sales, most have hesitated to enter the market. As one observer says: "A lot of companies were scared away from disc because it didn't boom as expected." When Kodak's disc was introduced in 1982, its ease-of-use was cited as a major selling point. Unfortunately, that was confounded by the poor quality of the pictures it took.

Kodak spent the largest part of its ad budget on the disc camera.

It has subsequently been squeezed by both its lower- and higher-priced competition. Consumers in the market for an inexpensive camera often opt for the cheaper 110 or 126 cartridge models that yield photos of similar quality. And those more concerned with quality have been drawn into the 35mm rangefinder revolution, a revolution that's flooding the market with good quality, easy-to-operate cameras that cost just a bit more that discs.

Despite the nay-saying, Eastman Kodak Co. markets five disc models. One of them, the disc 3600, was launched in January and retails for around $30. Kodak also launched the tele-disc camera, which has a telephoto lens feature for making far-away objects appear larger, and says it is encouraged by its reception in the market.

"We're still very much involved with the disc business," insists Judy Francis, vice president, account supervisor at J. Walter Thompson Co. "We're not lessening dollars on the disc because the person who'd buy a 35mm is not necessarily the same person who'd buy a disc. There are," she adds, "still a lot of people who are afraid of 35mm, even afraid to touch the film."

While Kodak says that, at the time of this writing, the media plan is not yet firmed for disc advertising, a spokesman reports that the disc budget will support the disc 3600 and telедisc. Ads, continuing with the "We're gonna get you with the disc" slogan, are expected to be placed on network tv in the second and fourth quarters, and run in daytime and "high-rated" prime time slots. Cable, the company says, will be used heavily, especially MTV and CNN, with some on ESPN. Print ads will also be run for the cameras and in the same quarters, too. In the fourth quarter, they are slated for books like *Woman's Day, Family Circle, TV Guide* and *Readers' Digest*, and will push the cameras as gift-giving suggestions.

LNA reports company expenditures of $19.9 million on disc cameras for 1985, including joint camera/film advertising. Media Records does not break out the disc.

The disc camera is very much a mass market item and the demographics of its users are predictably wide. They range from young children to elderly adults. Of those employed, a large portion of them tend to have blue-collar jobs, at least a high school education and incomes in the $10,000-to-$17,000 range — low enough to make the price point an important part of the buying decision.

RANGEFINDER CAMERAS

Rangefinders that use 35mm film, says Harold Martin, "are where most of the action is." Indeed, this breed of camera is credited with inspiring a new wave of interest in photography among American consumers.

Though the cheapest are somewhat more expensive than other point-and-shoots, notably the disc, these rangefinders, or lens shutter, cameras are every bit as easy to use. In addition, the 35mm film they use guarantees snaps of vastly superior quality.

In 1983 sales of 35mm rangefinders overtook SLR's for the first time and they haven't looked back since. Total unit sales for 1985 are expected to have reached 3.6 million units, according to PMA, a jump from 1984's 2.9 million total. The cameras' market share should show a gain, too, rising to 20.1% in 1985 from 17.1% in 1984. Prices range of $50 to close to $200.

The 35mm rangefinder market at-

In 1983, 35mm rangefinders overtook SLR's and haven't looked back since.

LEADER OF THE RACK

Michigan's largest magazine circulation base belongs to *Michigan Living*. Each month, our pages reach an affluent, educated audience that clips coupons, dials toll-free numbers and places orders the day their issues arrive. Your cost per thousand? Only $9.85 for color; just $8.21 for black and white. So start racking up your own results.

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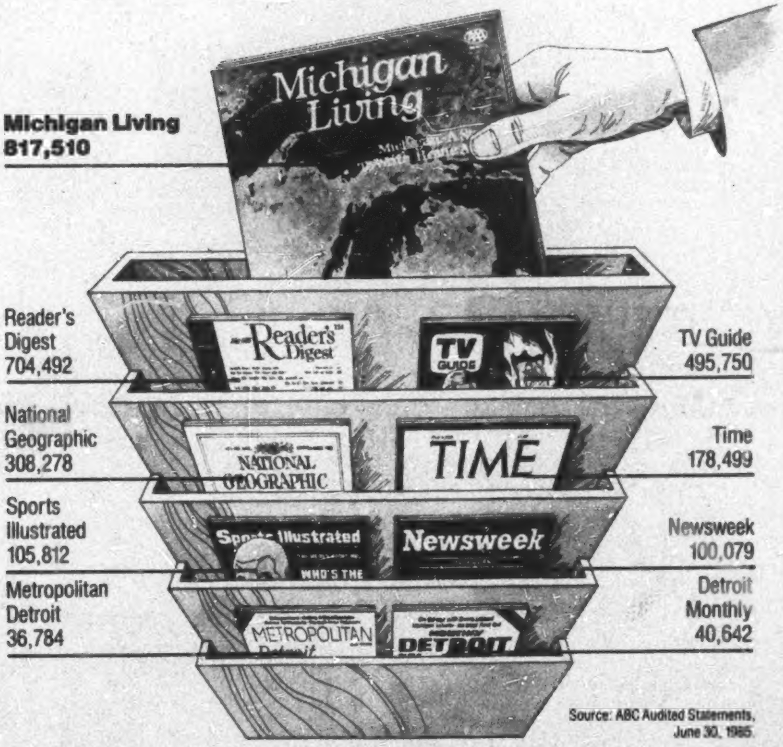


Source: ABC Audited Statements, June 30, 1985.

tracts two kinds of consumers. There are the everyday shutter-bugs who want better pictures than they get with their non-35mm cameras, but still want the ease of use. But SLR users come into this camp, too. Rangefinders are good snapshot cameras and are a lot easier to carry around than SLR's. And while many shooters wouldn't dream of taking their SLR on a raft trip or to poolside, the new weatherproof rangefinders are made for that kind of use.

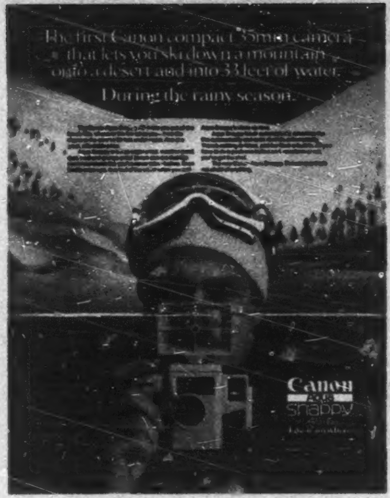
Kodak will make a big push in the 35mm arena in 1986.

While the market is witnessing new rangefinder introductions from almost every direction, perhaps the biggest name in new product news is one that's not among the top five shareholders: Kodak. Back in the 35mm arena after a 16-year absence, the Rochester-based giant launched two Japanese-made models in January (see *M&MD*, April 1986, pg. 55), and is backing its efforts with an ad budget that some put at over $20 million. Time will tell.

The current top five marketers of rangefinders, whose combined share accounts for about 80% of the market according to one manufacturer, rank in the same order as for SLR's.

Canon claims to have a 38% share of the non-SLR 35mm market, though outsiders say a figure in the high 20's is more likely. It currently offers seven lens shutter models with list prices, always well above the actual retail price with any camera model, ranging from $90 to $240.

Three of the models are new within the last twelve months and are aimed at broadening the bells-and-whistles options for consumers. The Sprint is billed mainly as a fully automatic camera at a moderate price. But the waterproof Aqua Snappy is capable of underwater photography and is referred to by the company as a "snorkeling" camera. The Snappy S, primarily aimed at young photographers, comes in four "fashion" colors: orange-red, green, yellow and black.


The first Canon compact 35mm camera that lets you ski down a mountain, onto a desert and into 33 feet of water.
During the rainy season.
Canon
Aqua
Snappy

Specialized models open up the hobby to new markets.

In the lens shutter category, Canon's ad dollars are going behind these three new entries. DYR Inc. handles the print advertising for Canon's cameras (though it does tv work for other non-camera Canon products) and Grey Advertising has the tv campaign for cameras. Sprint's target is aged 25-44 years, with an income of $25,000 plus, with at least a high school diploma. Print ads for the model are placed in books such as *Glamour* and *Sport* magazine. The Snappy S appears in *Life* magazine only, in multiple insertions. The Aqua Snappy, geared to a more active audience, shows up in *Boating, Outside, Skin Diver, Sports Illustrated* and *Outdoor Photography*, among other books.

Tv pitching is handled by Grey Advertising Inc. Canon's lens shutter ads are seen on early morning and late night network slots. Buys include *Today* and *Good Morning America*, as well as *Tonight* and network movies.

Canon's total camera budget, according to Leading National Advertisers and Media Records, was $15.8 million for 1985, though estimates push the 1986 total higher.

Second-ranked **Minolta** also offers seven lens shutter models, ranging in list prices from $105 to $263.

While its fully automatic SLR, Maxxum, receives most of the attention, the "mind of Minolta" has come up with some new rangefinders, too. The Talker, for instance, contains a voice synthesizer that tells the user

There's no business like the mature market business!

25% of our readers own 3 television sets, 38% own a 35mm camera, and 54% own an electric food processor.

50plus
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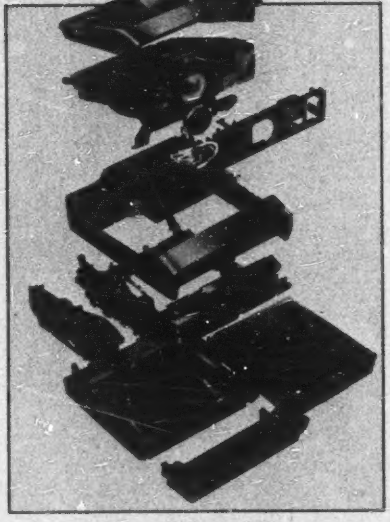
enough." Campbell-Mithun Inc. is the agency.

The company's ad budget, he reports, totaled about $6 million last year — nearly $10 million if you fold in co-op newspaper dollars. He says the budget will increase for 1986, but that the distribution of it may be different. "We have to decide if we're more dealer-driven or consumer-driven." Whereas now the dollars are more heavily spent advertising to consumers, that may change this year, ending up with a 50-50 split, he says.

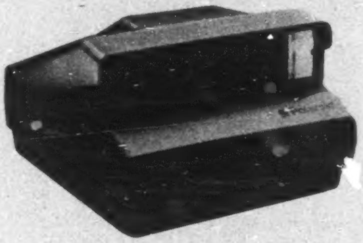
CARTRIDGE CAMERAS

Though other companies, Minolta included, make cartridge cameras, it is, says one observer, "pretty much a Kodak business." And even though sales of cartridges are declining, most agree Kodak won't drop its models any time soon because they still result in sales of Kodak film.

The company doesn't do any advertising for their 110 and 126 models because, as a spokesman says, "they just keep selling." Though the cartridge's market share has been falling, reaching 17.9% in 1985 from 18.8% in 1984, it's still the fourth-largest camera category. Some think disappointment with the disc has kept cartridge sales as high as they are.



The Spectra will hopefully put some jazz back into the instant category.



INSTANT CAMERAS

Instant photography, an awe-inspiring technology when it was introduced in the 1940's, has continued to lose market share over the last several years. It fell in 1985 to 18.4% from an 1984 share of 20.6%. Part of the problem is that instant film is expensive, costing the snapper about $1 a shot. And despite the fact that David Hockney's instant snaps are called art, average consumers still are disappointed by the print quality.

Polaroid Corp. took delivery of 100% of the instant photography market last January when a court ruling barred Kodak from continuing to market its instant line. It isn't wasting any time trying to put some magic back in the instant image. Until this spring it marketed four models to amateurs (Polaroid has a separate line of cameras it markets to professional photographers

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Source: 1985 Simmons – Scarborough Study

The Milwaukee Journal
Milwaukee Sentinel

and industrial users). This April, however, Polaroid launched a media blitz to push its new Spectra, the camera it hopes will turn instant's fortunes around. The camera, which retails for about $200, produces a bigger picture and one that the company bills as equal in quality to a 35mm print. Polaroid also boasts a new laser-scanning printing technique for making reprints of the new instants. In addition, the Spectra comes with its own line of do-dads like special effects filters.

"When you bundle all this together," says Peter K. Eichorn, national vice president of marketing, "it's allowing us to appeal to a different segment of the market, the person who is more upmarket. We've been missing these people." The target market is 25- to 44-years-old, with incomes of $25,000 or more and people who, if they own a camera, most likely own a 35mm rangefinder. While sales of their other four models are largely 60%-40% female/male, Polaroid thinks Spectra's buyers will be more than 50% male due to the price point.

With tv ads that feature *Chariots of Fire* star Ben Cross, the company is expected to throw $40 million in ad money behind Spectra over the next twelve months. Last year's ad expenditures, for all models, totaled $30 million, Eichorn says. The initial push is referred to at Polaroid as "The First Hundred Days," he says. "The object of it is to make sure everyone who walks and breathes knows there's a new product from Polaroid."

The blitz includes a road show featuring Spectra demonstrations at malls and conventions. Tv ads will be exclusively network buys and include *Miami Vice, Moonlighting, The Cosby Show, Dynasty* and *Hill Street Blues*. Print buys include the *Wall Street Journal, USA Today, Time, Travel & Leisure, Vanity Fair, Southern Living, Omni, New Yorker, CEO* and all the buff books. Billboards will appear in key markets. The ads are from BBDO International Inc., new on the account as of Christmas 1985.

Eichorn says he expects Spectra to cannibalize sales of the 680, an older model that sells for more. Sales of the other models, all less pricey, should hold steady, he says. "We really see that there are two separate segments to this business." And even though the marketing efforts are largely going towards Spectra, the "halo effect" should be good for the entire line.

To reach its target, Polaroid will spend $40 million on ads over the next 12 months.

SINGLE-LENS REFLEX CAMERAS

"SLR's are going the way of the rangefinders," notes Pentax's Monti. "They're becoming more simple, going more for the mass market." But it wasn't until recently that many people even knew what an SLR is.

In 1976 Canon singlehandedly turned around the 35mm SLR market with the launch of the AE-1 and its

Bangor # 1

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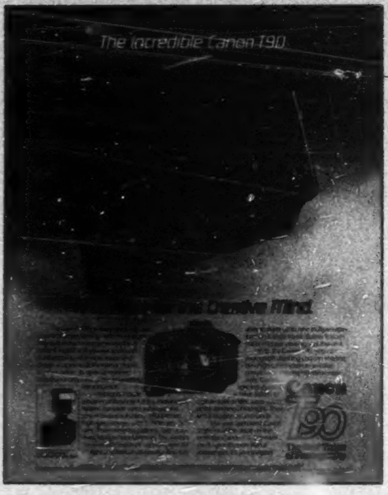

The T-90 is aimed at the pros as well as the serious amateur.

accompanying marketing strategy. The camera itself was light years ahead of other SLR's in the market in terms of ease of use. But perhaps as important was the fact that Canon decided to announce its innovation on network television. Until that time, very few camera marketers used tv. Canon and its "So advanced, it's simple" slogan, helped propel the SLR market, which has grown about 400% in four years. It now claims a 14.5% share of the camera sales.

In January 1985, Minolta took the SLR market, which had begun to flag again, to new heights with the Maxxum. Now, autofocus is the trend that most manufacturers must follow. Aside from their relatively steep price tag, they put SLR technology within reach of everybody because they do everything, even focus, for the shooter. SLR's racked up approximate unit sales of 2.6 million in 1985, according to PMA.

Canon leads the market in SLR sales, claiming a 35% share. Though it markets six models, most of its support is behind the new T-70 that the company calls a "computer age" SLR. Its choice of ex-football coach John Madden as the new T-70 spokesman is in sync with Canon's sports image. This model, as with Canon's SLR's in general, will be advertised primarily on sports shows and run on the networks and spot tv. Cable slots will be bought, too, in six major markets.

Canon's AE-1 singlehandedly turned around the 35mm single-lens reflex market.

The T-90, new last January, has an automatic focusing feature in the lens, not the camera body itself, and so doesn't qualify as a true auto-focus. A more complex camera that is aimed at the professional and serious amateur, Canon feels it calls for a talky fractional ad. Print buys, therefore, will be in buff books, but also upscale consumer magazines: *American Photographer, Modern Photography* and *Petersen's Photography, Smithsonian, Sports Illustrated* and *Omni*.

Though LNA and Media Records reports Canon spent $15.8 million on cameras and accessories the first nine months of 1985, observers say the

"I SAW IT ON THE RADIO"

Where else?

Can 5,000 berserk bananas stampede down Main Street? *Sure.*

There's plenty of running room on the radio for whatever's running around in your head. And the best part is that no one will ever thunder: "It's not in the budget!"

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"I saw it on the radio."

©1985 THE RADIO ADVERTISING BUREAU

Pentax, with 15% of the market, plays up the picture possibilities.

company put $10 million behind just one SLR model, the T-80, last year. This model, along with the T-70 and T-50, is aimed at a wider group of consumers. Print ads for them appear in *Omni*, *Money* and *Tennis*, as well in in-stadium programs (the NBA's *Hoop*, *Game Day* from the NFL and the NHL's *Goal*).

Minolta markets six single-lens reflex models, including the auto-focus star, Maxxum. The company says it has 20% of the SLR market. Minolta reportedly put $15 million behind Maxxum alone last year and is expected to do the same this year. Sales of the camera, introduced in January 1985, have been so good that estimates give it a 10% share of the SLR market. "It took courage for Minolta to do this because the company wasn't doing terribly well before the introduction," Jason Schneider points out. "It could have crippled the company."

The bulk of Minolta's SLR marketing push is behind Maxxum, which is aimed at an audience that's 75% male, college educated, aged 25-34 years and earning at least $35,000. Ad dollars are mostly spent on tv sports programs, where it thinks its "Only the human eye focuses faster" campaign from William Esty Co. will be most effective. The Maxxum is pitched as the ideal sports/action camera due to the auto-focus feature, but that is the source of one of the few complaints about it. Users have noted problems with the camera's auto-focus being able to keep up with an object.

"Products in the photo industry don't come out overnight," says **Nikon**'s Richard LoPinto. "The typical SLR takes three to five years to develop — Minolta surprised the industry." But Nikon has caught up. It's got an auto-focus of its own, making it the second marketer to have one.

The new 2020 was rolled out in April and targets the serious picture taker. Its audience, says LoPinto, is split nearly 50%-50% male/female, with an age range of 18 to 50 years and a median income of $25,000.

The 2020 and the Nikon 2000, new about a year ago, will be marketed most vigorously of all the SLR's. But they won't be on tv, says LoPinto: "purely a budgetary consideration" due to grey market and exchange rate pressures. There will be an extensive print campaign, to include all the buff books, for the two models, as well as ads that pitch the Nikon line of SLR's as a whole. The 2020 may show up in some upscale consumer books, too. The Nikon F-3, pitched to professional photogs, will be advertised in more targeted books like *Professional Photographer* and *Photo District News*.

The OM-PC, the new **Olympus** SLR introduction that features a sophisticated light metering system, will get most of the company's marketing attention this year. It will be pitched on early morning tv as well on selected cable spots like the Stanley Cup Playoffs that are high-profile but easier on the budget than network slots. Print buys will include fan books like *American Photographer* and *Modern Photography*, as well as a college-market publication, *Lens On Campus*. Consumer books are part of the strategy, too; ads will appear in *National Geographic*, *Sports Illustrated*, *Newsweek*, *Life* and *Money*, among others.

There's a shadow over the status quo: video imaging.

The top of the line OM-4 and the OM-2 lines will be advertised in buff books.

Pentax says it holds a 15% share of the SLR market with its eight models. The company introduced two new ones in 1985: the upmarket A3000 and the more bargain-priced P3.

SLR advertising is all print-based. The company won't disclose any publication titles but says the bulk is going to photo books. The target audience is nearly 80% male with a wide income range because Pentax's SLR's vary considerably in price. ■

Minolta's Maxxum, with auto-focus, took the industry by surprise and helped revive the company's image.

CONSIDERING CABLE

"All the fundamental signs for the business look very good, and I don't think there's been any change in that over the last couple of months," says Mary Kukowski of the cable industry, which she covers for Kidder Peabody & Co. Inc.

The most fundamental development for the industry over the long term will be the deregulation of basic cable rates in 1987. That year most cable companies will be able to set consumer rates for basic cable service without having to gain approval from municipal authorities.

"For most of these companies, 1986 should be a moderate growth year leading to the 1987 year," when those inside and outside the industry are looking forward to the new regulatory environment, says Kukowski. She projects industry revenues will increase 13.6% to $10 billion this year.

Over the next six to 12 months, she explains, the industry will benefit from declining interest rates: "These companies are very highly leveraged, so a decline in interest rates affects their cash flow fairly significantly." In addition, cable stocks should continue trading at higher valuations than in the past because of an emerging consensus that neither the backyard earth station nor the VCR really pose a threat to the industry.

And "for the long term, we think they're pretty much out-performers and a very attractive business," she explains, citing the prospects for both local ad sales and pay-per-view programing.

Kukowski feels ad sales will not "be a blockbuster business for these systems — I would view it instead as an incremental source of revenue." The low cost of getting into spot sales should insure that much of the revenue makes it to the cash flow line, she adds.

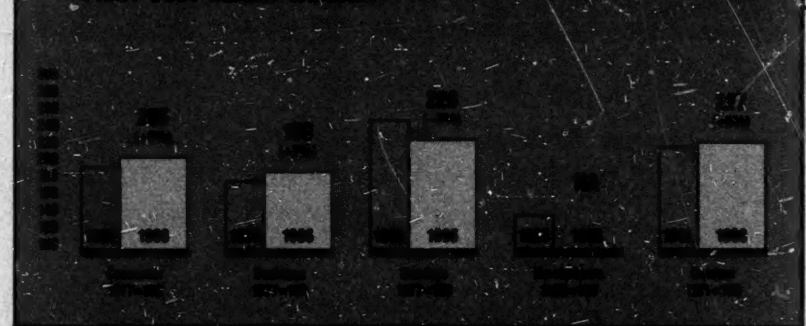
Rich Zahradnik

MAGAZINE AD SCORECARD	Ad Pages [illegible] 1986	% change from [illegible] 1985	Dollars spent ($000)	% change from [illegible] 1985
1. Skin Care, Creams, Lotions and Oils	202.29	+28.3%	$ 3,758.1	47.0%
2. Lip and Eye Beauty Products	99.15	−14.[illegible]	1,408.3	−2.4
3. Scents and Fragrances	181.25	[illegible]	2,344.3	+23.7
4. Facial Makeup Products	87.88	[illegible]	2,229.0	+31.9
5. Prepared Dinners and Entrees (Including Pizza)	88.73	[illegible]	3,262.4	+108.1
6. Liquor	312.45	−18.2	15,814.1	−11.6
7. Cigarettes	719.25	+13.3	36,338.4	+27.2
8. Soaps and Detergents	48.75	−1.8	2,969.9	−8.6
9. Passenger Cars, Domestic	463.80	−3.6	21,752.6	−0.5
10. Passenger Cars, Imported	429.72	[illegible]	22,436.1	+8.4

Source: Publishers Information Bureau as prepared by Leading National Advertisers

BROADCAST COST INDEX / JANUARY

PRINT COST INDEX / JANUARY



Sources:

[illegible]

IS YOUR CAREER ON TRACK?

THE CHECKPOINT SYSTEM

In our experience, a marketing professional's posture with regards to career management should be pro-active rather than re-active. The idea of establishing goals allows marketing managers to orchestrate their careers more efficiently towards the ultimate goal — general management.

One of the first "checkpoints" can occur relatively early in a marketing person's career. A good percentage of marketing managers begin their professional lives at one of the dozen or so marketing training companies (Procter & Gamble, General Foods, General Mills, etc.) where "classes" of newly-minted MBA's come in as marketing assistants. After several years of marketing training and experience, these individuals should assess their situation to decide if they should continue investing their time and talents in that organization.

HARRIS HEERY CAREER GUIDELINES

Position	Age
Marketing Assistant	24
Assistant Product Manager	26
Product Manager	28
Senior Product Manager	30
Group Product Manager	33
Vice President-Marketing	36
General Management	43

Among the factors to be considered at this junction are a) where one sits in the seniority "pecking order"; b) a realistic appraisal of the number of possible promotion opportunities and whether the time frames are acceptable; c) satisfaction with the particular corporate structure, climate and chemistry, current compensation and geographic location.

The first checkpoint is really a period of constant review beginning after the first promotion to associate product manager. "Am I better off to make a move now or is it in my best interests to move after I have reached the product manager level?" For some the answer is to stay put, but whatever the decision, the rationale is the same. "If I leave this company, I leave knowing I will become a product manager at either place, but my opportunities of becoming a group product manager at the alternative company are considerably stronger." Only time will tell if that perception is accurate.

The next "checkpoint" for marketing professional is probably four or five years later when, again, the person needs to decide objectively if the number and type of favorable opportunities exist for them in their present company. "What are really the possibilities of becoming a director and/or vp with this company?" It is at this point where the goal-oriented manager or group manager makes the determination that his or her current company does or does not fit into the overall game plan. This strategy continues on up to the president or CEO level for the most basic of reasons — the pyramid gets continually narrower toward the top. "Am I managing my career or is my career managing me?"

These checkpoints are not intended so that an individual waits complacently wearing blinders while events swirl around him or her. Changes in management, financial fortunes, the status of the company can significantly alter a person's prospects for the tomorrows. Unique and unexpected opportunities can surface and demand consideration. This is a time for careful judgment.

Essentially we believe that a person's posture in career management should be comparable to how they approach managing the businesses they work on. Short-term objectives and strategies are determined by the overall business plan. An approach such as this increases one's odds of making better business decisions. The same is true with career management. After all, marketing professionals are dealing with the most important product they can manage — themselves.

William J. Heery is a principal of Harris Heery & Associates, a Darien, Connecticut-based executive recruiting company specializing in marketing.

OUR READERS TELL US . . .

Recently, Harris Herry & Associates, an executive recruiting firm, released its career measurement guidelines for consumer marketing professionals. Research USA, Chicago, polled our junior-level readers to see how these guidelines correspond with their own expectations.

1a) ADVERTISERS: Assume you are a 24-year-old MBA graduate who has just landed a spot as a marketing assistant. At what age do you hope to achieve each of the following titles? (Base = 88)

POLL

STAR GAZING

I would like to call this article "Star Gazing," which is a response to the Harris Herry commentary regarding "Is your career on track?"

It's apparent today that most people are having trouble finding professionals who meet their qualifications. Therefore, today we have to look for the stars. Now, it's very difficult to speculate on whether or not there are loads of people around who fit that bill and whether age has anything to do with capability.

If a candidate has the right credentials, is bright, articulate, attractive and possesses all the ingredients that meet the specs, so to speak — then age has nothing to do with it. We are now, in today's economy, star gazing. Those people who present a picture of success and can carry it off can pretty much write their own ticket.

I must admit that credentials count. There's no question that a hiring posture on the part of the interviewing company will be one that is very critical in finding good experience. If it's on the agency side, we want to see people who have had major agency experience on the most sophisticated of packaged goods accounts — at least at the beginning of their career. In addition to that, an MBA certainly is helpful. But people who can project and present themselves as creditable individuals and who "have their act together" are people who are going to be sought after.

I also must comment on experience. We have found that sometimes the younger generation has been in too great a hurry to get it all in. Because of this, we've found that many clients are looking for those people who have seen it all and done it all, and still have the energy and brain power and talent to make things happen.

So how does one really judge whether your career is on track? There is a simple approach to this:

a) Are you sought after in the marketplace and looked up to because you are in a position of high visibility?

b) Does one see that you are out there, attending conventions and other kinds of public events that are career-related?

c) Are you moving upwardly within your own company?

d) Are you happy in your job and is it apparent that you are a "doer" in the ultimate sense of the word?

If you can answer "yes" to all of these questions, then I would say that regardless of age, regardless of any of the rules or guidelines, your career is on track.

Simmy Sussman is president of Sussman & Morris Associates, a consultancy and executive recruiting firm specializing in media and marketing.

TITLE	MEDIAN AGE
Assistant product manager	25
Product manager	27
Senior product manager	30
Group product manager	34
Vice president/ marketing	39
General management	45

1b) AGENCIES: Assume you are a 22-year-old college graduate who has just been hired as a buyer in the media department at a large advertising agency. At what age do you hope to achieve each of the following titles? (Base = 90)

TITLE	MEDIAN AGE
Media planner	24
Group media planner	26
Senior media planner	27
Media director	33
Executive vp, media services	38
Agency management	40

2) Do you feel such guidelines are realistic in measuring your career progress?

ADVERTISER	AGENCY
Yes 78.4%	67.8%
No 21.6%	31.1%
No answer 0%	1.1%

3) Would failing to meet your title goals cause you to change employers?

ADVERTISER	AGENCY
Yes 63.6%	65.6%
No 30.7%	33.3%
No answer 5.7%	1.1%

4) Which is more important to you your salary or your title?

ADVERTISER	AGENCY
Salary 64.8%	80.0%
Title 28.4%	15.6%
Equal/NA 6.8%	4.4%

5) How many job changes do you expect to make in your career?

ADVERTISER	AGENCY
4	4

SALES PROMOTION

by Russ Bowman

PMAA HAS AN UPWARD OUTLOOK

Nearly 300 "promoters" from the many sides of the promotion/merchandising business gathered recently in Chicago for a two day "Update" conference sponsored by the PMAA (Promotion Marketing Association of America). Chairman for the fifth annual affair, Peter Consolazio, director of promotions for Quaker Oats, opened the first day by noting that "the trends seem to be continuing, if not strengthening — namely, that promotion spending, professionalism and emphasis vs. other marketing factors are increasing significantly."

Ellen Farley, vice president, market research at Donnelley Marketing in Stamford, Conn., told the audience that major shifts in economic and demographic trends will continue to have important implications for the advertising and promotion industry.

1. The differential growth between population (+5% in the 1980's) and households (+7%) has resulted in a decline in average household size, from 3.1 in 1970 to 2.7 today.

2. Mobility patterns have shifted from 19% each year in 1970 to 16% today and are predicted to decrease, meaning less concern for outdated mailing lists.

3. The trend of faster growth in non-metro areas vs. metros set in the 1970's appears to have reversed itself. Center cities in the Northeast, for example, that declined about 1.4% annually in the 1970-1980 decade are now growing at about 0.4%.

4. Both black and Hispanic populations are growing at a faster rate than the nation as a whole. Hispanics outpace the U.S. by 160%, while blacks' growth rate vs. the U.S. is +20%.

The manufacturer/retailer balance: At the retail level, it certainly has become obvious that the shifting trends in retailing (especially supermarket/drug chains) must effect the way we plan promotions. Fewer but larger stores controlled by fewer but larger organizations have put retailers in a more powerful position. George Beaumont, vice president-promotion management services for Majers, predicted that conventional supermarkets which represent 55% of grocery sales today will represent only 32% in 1990. "The growth area will be the superstores or warehouse stores," he projected.

The fifteen fastest growing grocery chains that accounted for 21% of U.S. sales in 1974 now account for about 33%. One food company states that their top 20 supermarket customers now account for *half* of their business. According to a survey of retail executives by Majers, 80% felt it was likely that "in the future, many manufacturers will fill the role of a supplier to retailers who are *more directly in control* of the marketing process." The same retail survey indicated that retailers will "target many forms of advertising and promotion to specific geographic and demographic areas."

GF plans for better "data management": Bob King, director, business decisions support for the General Foods Corporation in White Plains, N.Y., began his talk by illustrating the "data explosion" at GF. "Back in the 1950's and earlier when the only basic sales data source was Nielsen, the company used about 1,080 numbers a year to monitor their business; with the advent of SAMI and other sources in the 1960's, that figure grew to 39,000 numbers; today, with scanner data added and many other information inputs, GF annually uses over 31 million numbers to read their business."

"About five years ago," Mr. King explained, "GF formed a sort of task force of market research and systems people to deal with the data expansion and newer computer capabilities."

Much of the foundation of their philosophy came from Alvin Toffler's *Third Wave* and can be described briefly as a shift from "producer control to consumer/user control."

GF began the process by "getting their managers comfortable with PC's," King continued. "They were allowed to take them home, given games and education programs for the family and given free access to a PC center to answer their questions."

Better information management in the future, according to King, will be based on systems that are "pro-active"; in short, "systems that follow what you do and how you do it and learn from what you do. At that point," he concluded, "more data is better."

PMAA 1986 Reggie winners: Bud Hamilton, division manager-general advertising at Procter & Gamble and chairman of the Reggie awards committee, set the stage for the 1986 presentations by pointing out that promotion expenditures have

Scenario: "Within the next 5 years, we will see significant changes in the way retailers use advertising to reach their customers. For example, many forms of consumer advertising will be targeted by the retailer to specific geographic and demographic areas within their markets."

	Likelihood of Occurrence...			
	1983		1986	
Grocery Executives	(80)		(96)	
	%		%	
Extremely Likely	31	77%	51	92% Likely
Somewhat Likely	46		41	
Somewhat Unlikely	19		7	
Extremely Unlikely	4		1	

Source: Majers Retail Executive Outlook Survey, January 1986 been growing "at an average rate of 12% over the past 10 years and currently exceed advertising by 63%. The ultimate objective of promotion must be to build business over the short as well as long term. Hence," Mr. Hamilton continued, "we are here today not to celebrate the quantity of promotion, but the quality of promotions which maximize return by producing good, hard business results."

Hamilton and the committee presented awards to 10 outstanding promotions from 1985. Top recognition (the "Super Reggie" award) went to The Quaker Oats Company for their "Where's the Cap'n" Cap'n Crunch promotion which was featured in our February *Marketing & Media Decisions* "Promotion" column.

The "Where's the Cap'n" promotion featured a $1 million sweepstakes reward for the return of the Cap'n, who conveniently vanished from the fronts of millions of cereal boxes in August 1985. In his place on the package was a Cap'n-shaped white spot surrounding a large question mark, and an offer of a free in-pack detective kit premium. Different clues were available in three different boxes.

The event was promoted to consumers via a multi-media blitz, including free-standing inserts, Sunday comics, tv, radio and a public relations campaign. A separate college sweepstakes promotion was developed to extend the brand's reach beyond its usual franchise of children between the ages of six and 12. The event was also promoted with unique "talking" point-of-purchase materials and trade deals designed to generate displays.

In pursuit of the Cap'n, consumers literally searched the store shelves for the packages and clues which would lead to his discovery. Share of the market rose 50%.

Other 1986 Gold Reggie winner include: Burmah-Castrol Inc. and Adler Schwartz Inc. for the "Castrol Money-Back 12-Pack"; Frito-Lay, Inc. for "The Great Potato Chip Picnic Giveaway"; Menley & James and Promotion Development Corporation for "Contac Colds/Flu Alert"; and Procter & Gamble and Wells, Rich, Greene, Inc. for "Spic and Span Diamond Jubilee."

Silver Reggie winners were: Del Monte for "Search for Values"; Mattel Inc. and Don Jagoda Associates for "Masters of the Universe Create-a-Character Contest"; Miles Laboratories, Inc., Consumer Healthcare Division, and H&R Block for "Alka-Seltzer 'Tax Time Relief' "; Procter & Gamble, Black & Decker and Dancer Fitzgerald Sample, Inc. for "Spacemaker Super Giveaway"; and Wilkinson Sword and American Marketing Services, Inc. for "Five Weeks Shaving, Absolutely Free."

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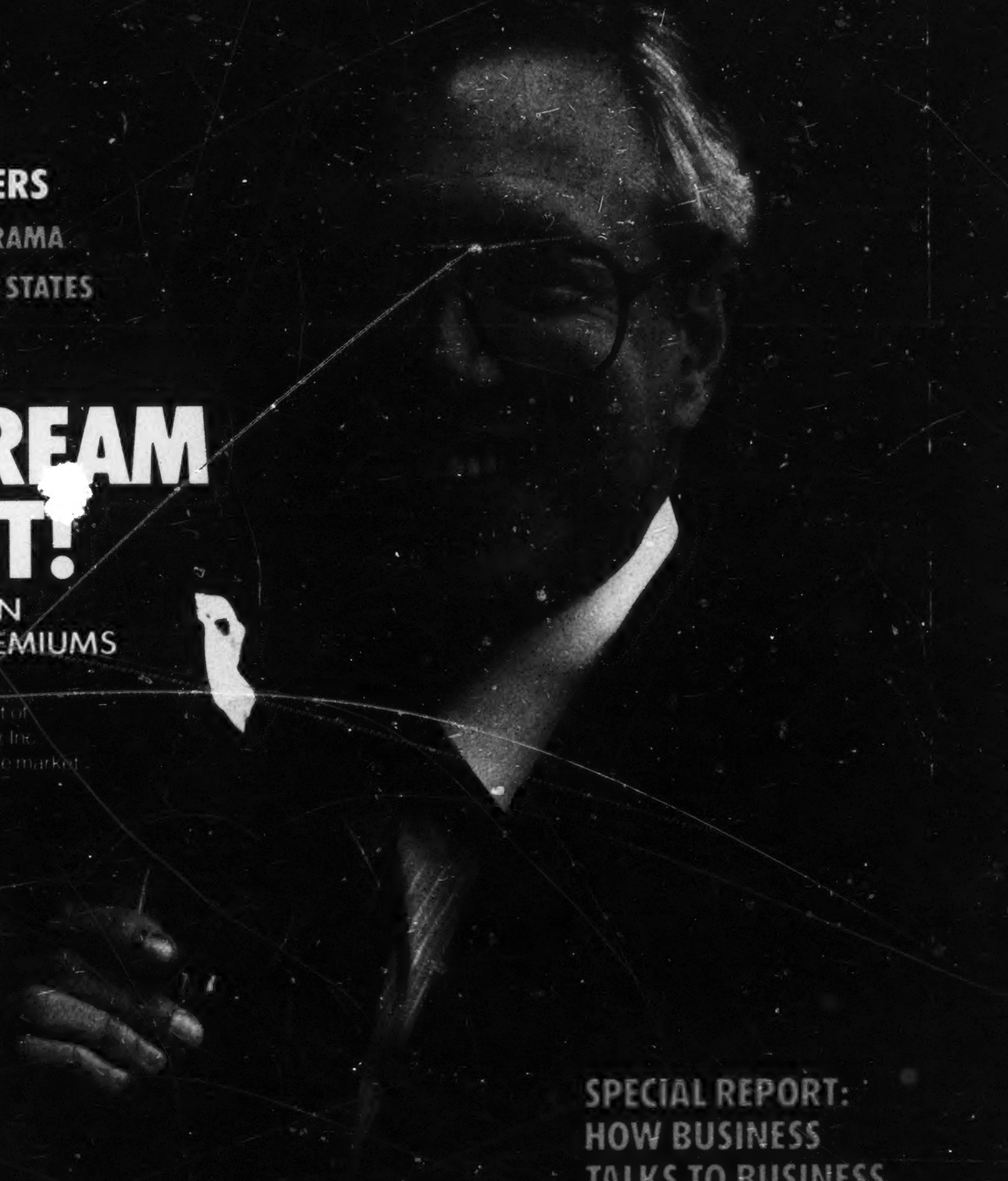

NEWSPAPER
BRAND LEADERS

TV'S DAYTIME DRAMA

TRAVEL AND THE STATES

ICE CREAM IS HOT!

THE SCOOP ON
THE SUPER-PREMIUMS

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SPECIAL REPORT:
HOW BUSINESS
TALKS TO BUSINESS

MARKETING & MEDIA DECISIONS

COVER STORY

WHO'S TAKING A LICKING? 38

Rich is the word for both super-premium ice cream and its booming marketers who are experiencing delicious sales growth. But the field may be getting too fat for all the players to fit comfortably in the retailer's freezer case. It's time to defend your turf, and that means advertising.

FEATURES

DAYTIME'S DARK SHADOWS 30

For some advertisers, the thrill is gone from daytime network tv, so they're beginning to listen to come-ons from other media. Cable, syndication and even some print are looking sexy to the big boys.

SPECIAL REPORT: THE 1985 NEWSPAPER BRAND LEADERS 49

Here exclusively, the top spending advertisers in newspapers as measured by Media Records, plus an overview to put it all in perspective.

OUR OWN BACKYARD 73

The weak dollar and the heated international climate have led many Americans to keep their vacation plans Stateside. The individual states, meanwhile, are doing what they can with their marketing and advertising plans to take advantage of the trend.

BRAND REPORT 134: SPORTS EQUIPMENT 103

The top eight categories by sales — athletic shoes, firearms, fishing equipment, tennis equipment, golf clubs and balls, camping gear and skis — give a mixed picture of this marketing segment. Shoes are hot; guns are not.

B-TO-B PULL-OUT

BONUS GUIDE: HOW BUSINESS TALKS TO BUSINESS

This six-part report details the art of planning and buying for business-to-business accounts. *The Big Picture* (page B1) presents an overview of the state of b-to-b. *Two Agencies, Two Approaches* (page B6) compares and contrasts a consumer shop and an established b-to-b agency in their handling of business advertising. *Few A-B-C's for B-to-B* (page B14) reports the woeful state of training in business-to-business media work. Constance Snapp of Wunderman, Ricotta & Kline outlines her strategy for b-to-b's up-and-coming media category in *Direct Marketing, Step by Step* (page B22). In *More Than Pretty Pictures* (page B34), the new approach to corporate advertising is demonstrated through case histories. And *Where to Go for Help* (page B42) provides a researcher's view of evaluating media options.

DEPARTMENTS

PRO FILES 4

Michael Mallardi is the only ABC alumnus reporting directly to Cap Cities/ABC chairman and CEO Thomas Murphy and president/COO Daniel Burke. INTV's new vice president of marketing, Richard Hogan, is out to change the group's focus.

DIRECT MARKETING 8

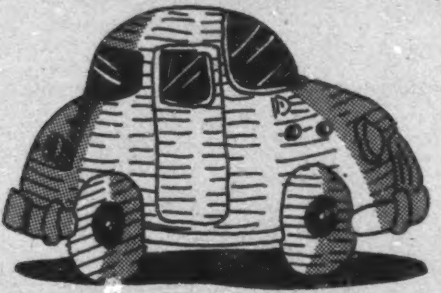
L.L. Bean bought Hill, Holliday's contention that a multipurpose agency was the best approach for this model direct marketer.

PRINT BEAT 17

From island positions to stock-table ads, a newspaper committee suggests 12 guaranteed national positions.

UPDATE 20

Global thinking has led to the biggest mergers in agency history. Also in the news: California Coolers, Lee Rich and Slice's new rival, Citrus 7.



June 1986, Vol. 21, No. 7

Cover photo by David Gahr

CREATIVE CONCEPTS 24

Outdoor advertising's big creative winners this year are literally busting off the boards.

DEBUT 26

TAXI! That's what this Italian publishing company hopes media people will be yelling as they take *Elle* on and also give birth to *Child*. Also on the horizon: Esquire's *New York Woman*.

FREEZE FRAME 28

New survey leads to new numbers in the VCR count. Terrence Elkes considers the ad question for pay tv.

BROADCAST BEAT 127

Despite the earlier rumors that the nascient ASTA organization would fold, the group appears to be thriving.

ON THE DOCKET 130

The FCC considers cable's must-carry compromise.

TOOLS OF THE TRADE 132

Simmons and Mediamark Research are bypassing the on-lines and distributing their data themselves.

POINT/COUNTERPOINT/POLL 136

As the summer arrives, agencies and advertisers are loosening up a bit when it comes to work hours. Two agency managers discuss the flex-time tangle, while managers from among our readers present their views.

ECONOMIC EYE 138

LNA flash figures for magazines; our Media Cost Index; James Kobak on business magazines.

SALES PROMOTION 140

Ask anyone, "What's new in sales promotion?" and you're likely to hear new spins on old ideas.

THE LAST WORD 144

Leonard Lodish of UPenn's Wharton School gives a poor grade to agencies.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 85

Effective frequency questions still remain unanswered.

TELEVISION *David Lerner* 86

There are lessons to be learned in the success of *The Cosby Show*.

PEOPLE METERS *Steven Singer* 88

In this column, the new measurement device will be put to work to determine where it fits in media thinking.

MAGAZINES *Don Cole* 92

In the magazine world, reach is more of a variable than you might think.

NEWSPAPERS *Gerry J. Eilers* 92

Newspapers are more than a promo vehicle, and it's up to the agency to get this across to the client.

RESEARCH *Beverly O'Malley* 96

Where does advertising fit in the VCR revolution?

RADIO *Stephen H. Martin* 98

Radio can be every bit as effective as tv, and at a lower cost.

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FREEZE FRAME

by Rich Zahradnik

REWINDING VCR PENETRATION

The big problem with counting VCR's and their usage stems from analysts who figure U.S. penetration by using raw sales figures. It's a method that doesn't take into account second VCR homes or those machines that have been bought to replace aging first-generation units.

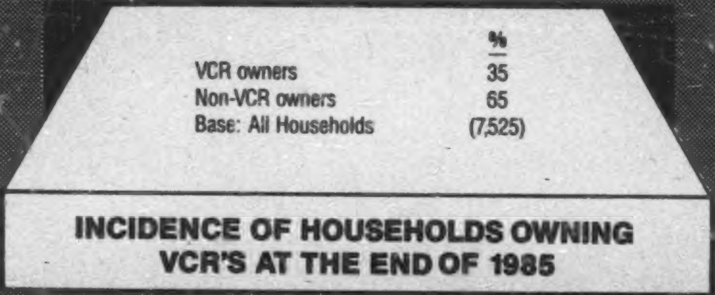
The Electronic Industries Association has done something in the way of solving the problem. The EIA's Consumer Electronics Group, which represents consumer electronics manufacturers, sent Market Facts Inc. into the field to survey 10,000 households — 7,500 of the survey forms were actually completed. The research firm came back with revealing figures about the use of and future for the video machines in American households.

According to the study's findings, 35% of U.S. households owned VCR's at the end of 1985. The figure is higher than some experts expected, and EIA officials even said they think the number is probably closer to 33%. Still in all, 33% is a higher penetration than the EIA's VCR sales statistics would indicate, confirming one theory that the EIA has consistently underestimated VCR sales in this country.

The study also found 85% of VCR households have one machine, while another 11% own two and 3% own three or more.

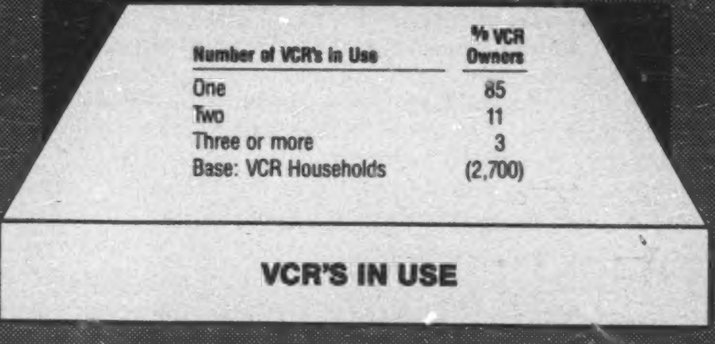
"First-time purchasers still account for the great majority of units sold — in 1985, 83% of VCR's sold were purchased by first-time buyers," Market Facts reported. "Replacements represented 5% of sales, while upgrades and additional VCR's accounted for 12%."

The importance of the VCR as a home entertainment option was highlighted by the astounding 95% of VCR owners who said they would replace their machine if it stopped working. On purchase intentions, 37% of all households polled indicated they were very likely or somewhat likely to purchase a VCR, camcorder or video camera in the next 12 months.



	%
VCR owners	35
Non-VCR owners	65
Base: All Households	(7,525)

INCIDENCE OF HOUSEHOLDS OWNING VCR'S AT THE END OF 1985



Number of VCR's In Use	% VCR Owners
One	85
Two	11
Three or more	3
Base: VCR Households	(2,700)

VCR'S IN USE

ELKES SEES SPOTS ON PAY — SOMEDAY

Terrence Elkes, president and chief executive officer of Viacom International, thinks there may be room on the pay services for advertising. Elkes' views are important, since Viacom now owns all of Showtime and The Movie Channel.

Elkes says certain types of pay services might be able to carry advertising because consumers perceive a channel like Showtime not as specifically a pay service, but as a just one of many tv offerings. "Preliminary studies indicate that lack of advertising is not . . . the greatest reason people subscribe to pay tv," Elkes said during a recent New York speaking engagement.

Ads could get mixed in with the movies on pay cable, he explained, "if ultimately we conclude that the customer" does not perceive the value of a service decreases with the addition of advertising. But Elkes was quick to warn Viacom's research is preliminary. Whether or not ads will be sold on Showtime or TMC is not something Viacom will decide in 1986.

It's clear Elkes has advertising opportunities on his mind. In the same speech, he pointed out that pay-per-view services — Showtime runs one called Viewer's Choice — would also be nice vehicles for advertising, particularly since the PPV services have lots of "dead" air between the films.

AS THE DAYTIME TURNS

Will declining audience numbers force advertisers to rush into the arms of other dayparts or media? Stay tuned.

by Marianne Paskowski

CBS' As The World Turns, circa 1958 and today.

How badly is network daytime tv listing? That's a question many daytime advertisers and their agencies were asking last month as they grudgingly prepared to part with their dollars for the 1986-87 upfront television buying season.

In a period where marketers remain reluctant to loosen up on the media reins, spending on daytime tv, with all its inherent problems, is under close scrutiny. Declining audiences resulting from more women entering the work force; a soft tv market; increased clutter from the wide use of 15-second commercials; inattentive viewers; plus mixed reviews from the people meter have given buyers reason to pause and ponder other media alternatives.

"While some of that daytime money is going to print, most of the dollars leaving are going to other tv forms, like cable and syndication," notes Mike Moore, D'Arcy Masius Benton & Bowles' media director.

Daytime television, once regarded as the workhorse daypart and the most efficient way to reach women, is now "the damaged daypart," Moore says. So much so that daytime spenders like Ralston Purina's William Claggett, vice president, director of marketing and advertising, envisions that many advertisers will hang back for the scatter market this year instead of going upfront with daytime purchases.

"From a pure numbers' point of view, you would have been better off last year if you had held out for scatter," points out Claggett. Last year, Ralston spent $12 million on the medium, according to Broadcast Advertisers Reports.

The networks, too, acknowledge a softness with the daypart. "The money spent in 1985-86 has not come up to anybody's expectations," admits John Tiedemann, Jr., senior vice president, national sales manager, ABC Television Network.

But Tiedemann is equally quick to defend daytime, where ABC reigns supreme. While ABC is second in overall household ratings at a 6.6 rating/21 share, the network leads with a 6.3 rating in attracting women aged 18-49. CBS is second in women 18-49, posting a 4.3, and NBC is a distant third at 3.7. CBS leads the overall daytime household ratings race at 6.6/21, but has dropped 3% in households compared with a year ago. NBC trails be-

All My
Childr

ABC's Tiedemann defends daytime, where ABC reigns with women 18-49.

STEVE BEGLEITER

hind with a 5.4/18, representing a 4% gain in households over last year.

Tiedemann dismisses the downbeat talk surrounding daytime as "just posturing" before the upfront. "Daytime is a medium that belongs in everybody's media plan because it does its job — it reaches women frequently, efficiently and effectively," he charges.

Daytime's pricing has always been its main attraction. The average cost of a 30-second commercial in daytime tv is $15,000, compared with the average price in prime time of $100,000. In daytime, a high-rated soap opera like *General Hospital* can command $35,000-$40,000 while a poorly-rated game show will go for only $6,000.

That kind of unit cost makes it easy for some advertisers to overlook daytime's warts, says Robert Powell, director of advertising, for Kraft Inc., one of daytime's big spenders. Last year, according to Broadcast Advertisers Reports, Kraft spent $36 million on daytime.

"You'll find that some brands go to daytime just because it is cheaper than anything else. So they live with the negatives, knowing that at least they are on network television," he reasons.

Considering that 1985 was rough for media sales overall, daytime didn't do too badly. While prime time revenues were down 3% last year, daytime spending was actually up slightly, according to the Television Bureau of Advertising. The networks, which have enjoyed 8%-10% gains in daytime revenues for the past 10 years, realized only a 3% rise in 1985, despite the fact that CPM increases were double-digit. According to TvB, daytime television for all three networks last year, Monday-Friday, billed $1.65 billion.

But daytime has gone soft during the past six months, with demand for the daypart in the network scatter market virtually nonexistent. Because of that lack of demand, buyers now expect only slight-to-modest increases this upfront. "We may be in the midst of a corrective cycle with daytime prices," reasons Wesley Dubin, Needham Harper Worldwide's senior vice president, director, national broadcast programing. "The price of daytime shot up dramatically in the last eight to 10 years on an index basis," he continues, "because it was a relatively inexpensive place to advertise in high inflation periods. But when you're in a period of price stability," Dubin continues, "that daypart looks a little less attractive when you're not buffeted by high media inflation," he adds.

Nor is Dubin alone in his reading of the daytime market. "Right now daytime does not have a good name," concurs Gary Carr, SSC&B's vice president of network television, who senses that everyone is getting a little nervous about the daypart. "The advantage of daytime once was that it cost half as much as prime, but now, if you can buy prime for the same CPM and get less clutter, maybe prime is better," he concludes.

At NBC, third down on the ladder in daytime sales, Robert Blackmore, senior vice president, sales, admits that daytime is a little on the soft side. "Advertisers are searching for the best media mix, taking into account the working women situation," Blackmore begins. That's why dual audience prime time shows like NBC's *Miami Vice, Hill Street Blues* and *Cheers* and ABC's *Moonlighting* have done well, he points out.

"What will happen next," Blackmore predicts, "is that as prime time prices go up, lower priced dayparts like daytime and fringe will once again become more attractive. We are in a stable period now and I think there will be a meeting of the minds," Blackmore concludes.

Clearly there will be plenty to mull over about daytime tv before that happens. What to do about declining viewership in that daypart is one persistent question. In 1980, the three-network audience share was 88. Daytime audience for the first quarter 1986 shows the three networks dropped one share, down from a 62 to a 61. That seems to reflect a slowing of erosion from a year earlier when the three networks combined plummeted from a 67 to 62.

Buyers are also worried about daytime's cluttered environment. While daytime television has always carried more commercial time — 12 minutes an hour, versus six in prime time — many :15's are now finding their way into that daypart. About half of the :15's or split :30's now being used, estimate the networks, find their way to daytime schedules.

SSC&B, Carr reports, just completed a study for the Association of National Advertisers which shows that 20% of daytime's commercials are now :15's. "Everyone is worried about the clutter of daytime, and now with :15's, it will be twice as cluttered," Carr points out.

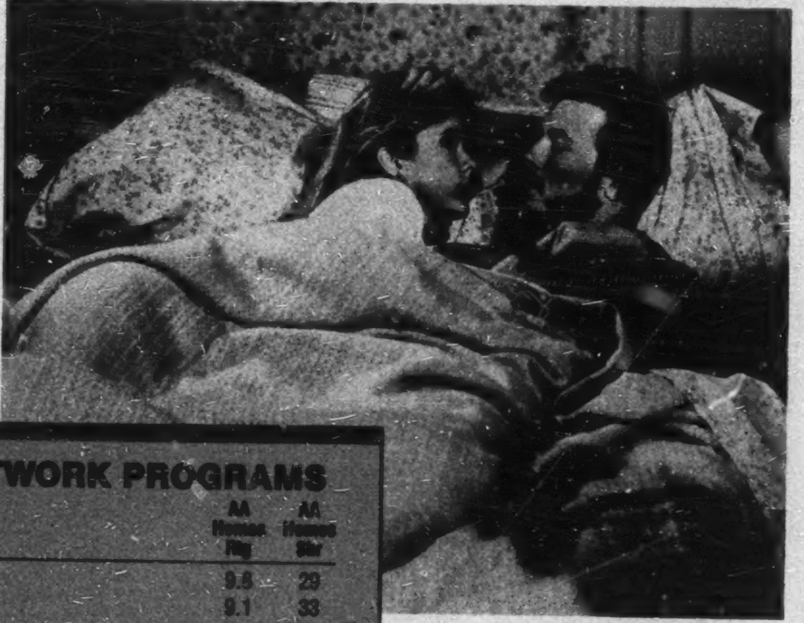
And daytime will get more crowded. In early May, ABC finally relented and began accepting stand-alone :15's, as CBS does. NBC, at press time, was evaluating the matter.

Making daytime's picture even more fuzzy is data coming from the people meter tests. While prime time numbers are generally lower in the people meter reports than in Nielsen's diary, so far, daytime numbers from the people meter seem to be higher.

"It's going to be very interesting to see what happens in daytime with the people meters," points out DMB&B's Moore. While the numbers change week to week as more households are added, Moore notes that there appear to be more men and teens watching daytime, "people who may not claim to watch soap operas in the diaries."

The networks, however, say it is premature to read any significance into the early findings — even if it spells good news for daytime — because of the small samples. "The results have been dramatically different month to month, as we really don't have enough information," explains ABC's Tiedemann.

Last spring, the now-defunct Television Audience Assessment Inc. gave daytimers even more cause to worry. TAA's mission was to provide qualitative measures for tv programing. While it was widely heralded, few ad-



ABC's General Hospital
still leads the pack.

TOP 25 DAYTIME NETWORK PROGRAMS

Rank		AA Homes Rtg	AA Homes Shr
1	General Hospital ABC	9.5	29
2	Price is Right 2 CBS	9.1	33
3	Young and the Restless CBS	8.9	29
4*	All My Children ABC	8.5	28
5*	One Life to Live ABC	8.3	26
6	Days of Our Lives NBC	7.9	24
7	Wheel of Fortune NBC	7.6	20
8	Price is Right 1 CBS	7.2	27
	As the World Turns CBS	7.2	22
10	Guiding Light CBS	7.0	21
11	Scrabble NBC	5.8	21
12	Capitol CBS	5.4	18
	Another World NBC	5.4	17
14	$25,000 Pyramid CBS	5.3	20
15	New Card Sharks CBS	4.8	18
16	Sale of the Century NBC	4.7	18
17	Santa Barbara NBC	4.5	13
18*	Loving ABC	4.4	14
19	Family Ties M-F NBC	4.3	16
20	Super Password NBC	4.2	14
21	Three's a Crowd Daytime ABC	3.4	11
22	Ryan's Hope ABC	3.2	11
23	Search for Tomorrow NBC	3.0	10
24	New Love American Style ABC	2.8	10
25	Press Your Luck CBS	2.2	6

vertisers were willing to put their money behind their good wishes and the organization folded in late April.

TAA's then-president Rolf Wolfsburg explains that the study "was trying to point out all the hazards of daytime and to warn advertisers to take those things into account when making their buys." TAA's daytime project attracted the support of Campbell Soup Co., Ralston Purina, Thomas J. Lipton, General Foods and Polaroid.

TAA found that during a typical commercial break in daytime, nearly 36% of the audience is out of the room, and that an even higher proportion leaves the room during between-program commercials. TAA concluded that advertisers could take action about this loss of commercial exposure by targeting consumers based on TAA's program impact scores, which could predict which programs viewers were more likely to stay and watch during commercial breaks.

With daytime soap operas, for example, which account for almost two-thirds of daytime viewing by women 18-24, *Days of Ours Lives* and *The Guiding Light* were high scorers on TAA's index. In the game show category, popular among older viewers, *Jeopardy* was the highest-rated game show on TAA's index.

Despite the discouraging findings on the daytime audience, Wolfsburg is not willing to totally write off the daypart. "For a special group of advertisers, daytime is still a relevant daypart for them," he says.

Just how worried daytime advertisers are about all of these trends will be known this summer. At press time, media departments were hard at work on the daytime problem. DMB&B's Moore flatly says, "Our daytime spending is going to be down."

Some daytime advertisers had already done radical surgery on daytime. Sears Roebuck pulled daytime budgets for its 100th anniversary and put the order into prime time. While few advertisers have made such dramatic moves, many, however, have been gradually chipping away at their daytime budgets and throwing more money into prime time, late night network, cable, magazines, as well as sales promotion.

Other marketers are simply changing the target audience, points out David Lerner, vice president broadcast supervisor, Foote, Cone & Belding, an agency which buys daytime for Clorox, Levi's and California Raisins. "Men have input and do a fair amount of the shopping, so marketers tend to want a dual audience of prime time and late night tv," he adds. "Nobody has totally abandoned daytime," he continues, "but they have switched money into other areas like late night which has a 50-50 female/male audience ratio, a good audience composition for a lot of clients," he continues.

NBC's **Days of Our Lives** *and* **Another World** *hang in.*

Kraft's Powell intones that for some brands, like Cracker Barrel cheese, "the male presence is factored into the media plan. But the male presence is not very heavy in the purchase of mayonnaise or margarine," he explains.

While it is impossible to measure just how much other media have benefited at daytime tv's expense, there is no question that marketers are looking more carefully at the media mix because of the working women factor. Independent television, syndication and cable, marketers agree, can deliver pretty strong numbers of working women. Cable television has certainly gained from daytime's woes, says Rick Busciglio, director of sales for CBN. "A number of budgets that we've been getting over the past year or so seem to be coming from the network daytime pool," he notes.

"Planners who were running 60 points a week in daytime in 1978, may now be only running 45 or 50 and diverting some money to cable or late night television," he finds. "And obviously, there are more of us out there saying, look at what we can do, give you billboards, all kinds of little sponsorships, in addition to what you're doing in daytime, at a far better CPM," explains Busciglio. CBN, however, does not try to sell itself in place of daytime, but in combination with broadcast.

Meanwhile, one somewhat surprising print vehicle seems to be picking up some daytime dollars from the likes of Procter & Gamble, Colgate Palmolive, Nabisco, S.C. Johnson, Kraft Foods and Campbell Soups. The revamped *National Enquirer* has carried pages from this crew in the last several years, and has seen its page count climb from 250 pages in 1983 to 354 pages in 1985. But publisher Jim Martise insists the magazine is not trying to compete with network tv.

Rather, the *National Enquirer* reader tends to be a young, high-school educated woman, an increasingly difficult target to reach. "Everybody's audience these days is the professional managerial woman who has graduated from college," tells Martise, "and that's not the *Enquirer*'s market. If you're selling Cadillacs, we might not be your prospect, but if you're selling detergents and sliced cheese, canned soups, household products, aspirin, that is who we deliver," he notes.

Sound a little like daytime television's territory? ■

COVER STORY

by Rebecca Fannin

WHO'S TAKING

Suddenly, the formerly friendly ice cream market has been turned into

AAH . . . the names conjure up such sweet images: Dastardly Mash, Heath Bar Crunch and Vanilla Super Chocolate Chunk. But sweetness and light have nothing whatsoever to do with the business of selling ice cream these days. Take a closer look and note the knock-out punches being thrown by some of the biggest companies in the U.S.

Haagen-Dazs, for instance, the ice cream with the pseudo-Scandinavian name that is made in America by the Pillsbury Co., takes its role most seriously. Last year, Haagen-Dazs got into an ugly distribution squabble with Vermont's tiny upstart Ben & Jerry's. The dispute was eventually settled out of court. Meanwhile, dozens of new and old ice cream companies are finding their existence threatened as they battle for freezer space and recognition in a market increasingly dominated by flashy marketing techniques and image campaigns.

What's going on? Today's work-out and then pig-out generation has turned ice cream into far more than a commodity. This group's growing appetite for ice creams with natural ingredients and plenty of butterfat has created a fast-growing luxury tier in the market. So-called super-premium ice creams, like Haagen-Dazs, Frusen Gladje, Ben & Jerry's and Steve's have seen sales balloon by nearly a six-fold increase while the total market has lagged at a 5% growth rate.

Those with a craving don't mind paying for it. Haagen-Dazs, the creator and leader of luxury ice cream, retails at about $2 a pint. Chunky and chocolately Dove Bars cost $2, gold-packaged pints of Godiva ice cream fetch $3.75 and Mousse du Jour, which combines frozen mousse and super-pre-

A LICKING?

a high-stakes marketing struggle.

PHOTOGRAPHS BY DAVID GAHR

Mark Stevens, new president at Haagen-Dazs, is ushering in an era of novel products and a first — advertising.

mium ice cream brings $2.69 a pint. "Eating ice cream has become hedonistic," explains Robert Ference, managing director of MCA Research. "People looking for self-gratification want something that won't cost much but will still be an indulgence."

But this hunger is causing a meltdown at the freezer case. In the metropolitan New York area alone, there are some 22 luxury brands of ice cream, all fighting costly battles for shelf space. Only the strongest are likely to survive. In today's world, that translates into the support of a deep-pocketed parent to finance stout distribution networks, lavish promotions and advertising. It also doesn't hurt to have a cult following.

Those without at least two of these credentials are already taking a licking. Brooklyn's small six-year-old, super-premium brand, Alpen Zauber, made by Gold Seal Rivera Corp., couldn't offer volume discounts and has virtually disappeared from big supermarkets. Pepperidge Farm's fine heritage in cookies didn't translate successfully into a test of a super-premium ice cream. The category's second largest producer, Borden Inc., pulled out when it couldn't build national sales quickly enough for gelato, a rich Italian type of ice cream that is catching on among experiment-minded. And Tofu Brands Inc., the maker of the ice cream alternative, Tofutti, is being beaten back for having too many calories and too much competition.

There will be others that can't take the heat. Grocers can barely jam in another flavor, and still nearly all the major players are trying to get coast-to-coast distribution. "The last thing supermarket ice cream buyers want to hear is that there is another super-premium on the market," laments Mike Brandt, marketing director for New England's largest ice cream producer, H.P. Hood. That company had to yank Strassels, its super-premium ice cream, from supermarket freezer cases last year after better-monied brands began to lick away at its sales.

These factors are not deterring the major marketers like Pillsbury and Dart & Kraft, Inc. (the nation's largest ice cream producer). In their quest to be the first national ice cream sellers, both are flexing their marketing and advertising muscles. Kraft is unleashing a torrent of coupons, trade allowance deals and merchandising ploys, as well as a consumer ad campaign, to win it more shelf room and knock off competitors. Since it purchased Frusen Gladje in 1985, Kraft has tripled the brand's sales to $20 million and begun a $5 million ad campaign in an industry where, previously, a nickel was a lot for promotion.

Haagen-Dazs too is rolling up its shirt sleeves and getting down to business. After breezing to $130 million in sales, or 40% of the super-premium market, without springing for a single ad, the company is changing tactics. The brand recently stepped out into a host of consumer magazines, if not the sun and fun commercials of television.

"We are planning to become much more active on the advertising front," relates Mark Stevens, president of the Haagen-Dazs Company, Inc. "But we don't want to over-commercialize the product. We have a delicate relationship with our consumer," he adds.

R*ichard Smith sold Frusen Gladje last year to Dart & Kraft, Inc., then turned around and bought Steve's, a dip store operation. Now, he's packing Steve's for pint sales at supermarkets.*

Indeed a competitor, Schraft's Ice Cream Ltd., found that Haagen-Dazs has a certain mystique. "We found through focus groups that a lot of people feel that each little container was strapped into a seat of a Boeing 727 and imported from Denmark," jokes John LeSauvage, president and chief executive officer. The old New York brand tried unsuccessfully to attack Haagen-Dazs with a series of ads citing a *Consumer Reports* taste test that placed them first and Haagen-Dazs 14th.

ENJOY THE GUILT

Frusen Gladje is playing catch-up.

The era of brands that only define themselves in reference to Haagen-Dazs, however, may be coming to an end.

"I'm surprised at how wide open this market is. Frusen Gladje wasn't a factor five years ago; neither was Steve's or Ben & Jerry's. And they all seem to be doing well," admits Stevens.

Folksy-sounding Ben & Jerry's, with $9.5 million in sales, is seducing urban dwellers with Heath Bar Crunch and White Russian, flavors that make Haagen-Dazs' chocolate chocolate chip and swiss vanilla almond seem out-of-date. Lines have been forming, too, outside Steve's 47 dip stores, which pioneered the mixing of fruits, nuts and candies into every scoop for flavors like Kahlua Amaretto Almondine and Praline Perfect Parfait.

While the 342 Haagen-Dazs franchises have looked on, Steve's approximately $12 million business has begun edging its way into supermarkets. "Haagen-Dazs has gotten old after 25 years," sneers Richard Smith, chairman of Steve's Homemade Ice Cream, Inc, and the founder of Frusen Gladje. "The new approach of Steve's is the thing people are looking for," he says.

Hardly, responds Haagen-Dazs' Stevens. "We have been an industry phenomenon for many years. We don't see Haagen-Dazs as being in the super-premium market; it competes in the ice cream market. Others have defined a super-premium market to imitate us."

Haagen-Dazs is not above some fancy imitating of its own. Mindful of the impact the chocolate-enrobed Dove Bar made last year (pushcart sales and retail outlets brought in $7 million in sales in 1985), Haagen-Dazs has come out with its own version. Though smaller and less costly ($1 to $1.25), Haagen-Dazs' ice cream bars boast real Belgian chocolate in milk and dark varieties and a classy cardboard container. The item is already available in all kinds of retail outlets from supermarkets to bodegas. Stevens promises more new product ideas by the fall, most likely other novelties and more flavors. "More people are looking to us as a leader in innovation," he says. "And we are looking at a number of new product ideas, some that will be ready in four to five months."

But new competitors are coming thick and fast, each with a new twist on an old taste treat. Due out this summer is the 89-to-99-cent Dove Delight, a portable ice cream sundae in a hockey puck shape. One such treat combines a crispy wafer, a big dose of fresh raspberry sauce and a small amount of ice cream, all surrounded by chocolate. Chipwich, which made its name with an ice cream cookie sandwich, is spending $500,000 for radio in the New York area this summer for its latest — Love Bites, small chocolate-covered ice cream treats that will have four to a box and sell for $1.75. "It'll be one of my typical blitzes," says chairman Richard LaMotta. "We'll have cherubs on the street vendors' uniforms and we'll be giving away prizes like Club Med trips, Dom Perignon and a trip on the Orient Express."

"The entry of these new brands and

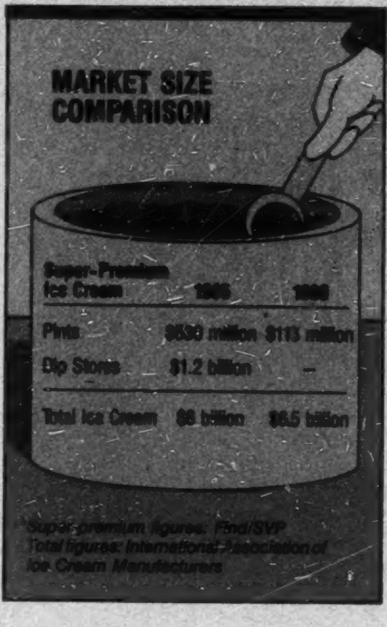
new competitors, particularly against our pint size, are clearly challenging us," admits president Stevens. "It's a major daily problem of whether we have lost any space. But so far, any that we have lost has been offset by other gains," he adds.

Haagen-Dazs is also in a state of transition. For 65 years, the New Jersey-based company made a living as a family-owned ice cream enterprise. In 1960, founder Reuben Mattus decided to put the company's fortunes into the making of top-of-the-line ice cream. With its reputation growing through supermarket distribution and franchised dip stores, the Mattus family sold out to Pillsbury in 1983. Though some family members stayed on for a while, the big change occurred last year as Stevens was recruited to take on the presidency.

In his 45 years, Stevens has made quite a reputation for himself. In 1977, he founded Sunkist Soft Drinks, which he built into a $500 million business. A savvy marketer, Stevens is pushing Haagen-Dazs into advertising.

"We're advertising because we want a unified image that word-of-mouth can't give," explains Stevens. "We also realize that one-third of ice cream eaters have never heard of Haagen-Dazs. While the awareness is high in New York, this is a national problem," says Stevens.

To further its national goals, the company has undertaken its first print campaign. Haagen-Dazs appeared in the yearend specials of *People* and *Life*, then in the December and January issues of a select list, like *Connoisseur*, *Bon Appetit*, *Gourmet*, *Chocolatier*, *Food and Wine*. Newsweeklies were added for reach.



Super-Premium Ice Cream	[illegible]	[illegible]
Pints	$530 million	$113 million
Dip Stores	$1.2 billion	—
Total Ice Cream	$8 billion	$6.5 billion

Super-premium figures: Find/SVP
Total figures: International Association of Ice Cream Manufacturers

"We wanted to choose the right environment for an elegant, upscale, high image product," says Beth Brauner, director of marketing. In keeping with the brand's image, Haagen-Dazs ads use snob appeal and subtle humor. The message is that a proper diet can't be maintained without the four basic food groups: caviar, brioche, artichokes and Haagen-Dazs. "The ads are consistent and sophisticated in their humor," she adds.

But they are unusual too. "We are using a non-packaged goods approach to the advertising as though it weren't just ice cream, but an indulgence like a Mercedes or jewelry," points out Steve Hurwitz, group director at McCann-Erickson Inc. "We are advertising to a very select group by design. Our long-range plan is to enhance the brand on a very, very careful scale. It's not as though we are going to blast out on television."

Haagen-Dazs has stepped up the pace, however. This month, the same magazines will be graced with chocolatey-rich ads for the new Haagen-Dazs bar. In July, Haagen-Dazs plans to use magazines to promote some new flavors like cappuccino, rounding out its 23-flavor line.

If Haagen-Dazs is just starting to rev its engines, Kraft is in high gear. Kraft fields entries in all levels of the ice cream market and besides Frusen Gladje, is pushing hard for Breyers, the nation's favorite, Sealtest, the leading economy brand, and Light n' Lively, the No. 1 ice milk.

Kraft has been particularly busy price-promoting Breyers, a premium brand with more air and less butterfat than super-premiums. The all-natural ingredients of Breyers are touted in a year-old tv campaign handled by Young & Rubicam. Last year, Breyers grew at a double-digit rate and the plans are to expand its distribution into nine western states this year. "We have an excellent product and we believe that there's a lot of potential in under-developed areas west of the Mississippi," says Robert Baker, director of marketing for frozen dessert products at the Kraft Dairy Group. To make the move, Breyers' white containers were dressed up in black by Gerstman & Meyers Inc. to look contemporary and stand out against the rainbow of colors in the freezer case.

"Those brands that aren't continually supported or that aren't that unique or different will not get the kind of turnover that they need at the supermarket," says Baker at Kraft.

In its catch-up game to Haagen-Dazs, Frusen Gladje's advertising, high-tech packaging and merchandising have, of necessity, been breakthrough. "Our advertising is the first that acknowledges the consumer insight that eating ice cream means blowing the diet but recognizes the thinking that it's so wonderful that they'd do it

LEIF SKOOGFORS

Robert Baker, director of marketing for frozen desserts at Kraft, takes a break from marketing warfare.

Ben Cohen and Jerry Greenfield, co-founders of Ben & Jerry's, use wholesome values to sell ice cream.

again," articulates Judith Bowen, product manager. Seconds Dennis Fogarty, senior vice president and management supervisor at Geers Gross: "We said 'Let's break all the rules.' So what we did is eavesdrop on one person so that it's seen that something special goes on when you eat ice cream. You spend a little time with it and you eat it in your favorite bowl." The ads run in early morning, late night and during prime on spot tv, around programs such as the *Today* show, *Johnny Carson* and *Cheers*. A print campaign appears in the *New York Times*, and a number of upscale and regional magazines. A new $5 million campaign for a new sorbet line has just broken as well.

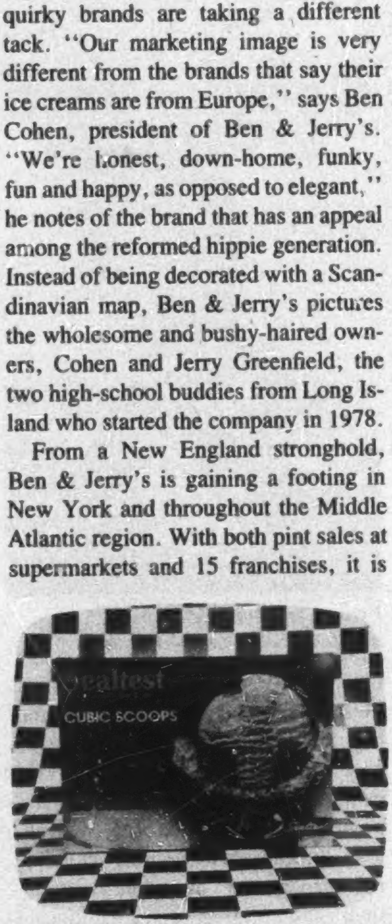
A similarly ambitious sales promotion strategy supports Frusen Gladje. Haagen-Dazs can rarely be found "on special," but Frusen Gladje regularly distributes 25-cents-off coupons through newspapers in selected markets to get trial.

Haagen-Dazs' Stevens looks down his nose at such efforts. He does not believe that price promoting is the way to win the game. "We are not in a price war, we are in a quality war," he says.

But Frusen Gladje is relentless. For instance, when the brand was performing poorly in the Piggly-Wiggly supermarkets in the Memphis area, the buyers issued an ultimatum to Frusen Gladje to either get the brand to move, or it would be tossed out. "The problem was that most people in the Memphis area had never heard of Haagen-Dazs or Frusen Gladje," tells Jim Unsell, an ice cream buyer for the chain. "But Kraft came back with an in-store sampling program, they increased their promotional allowances and scheduled two coupons in free-standing inserts." Sales have doubled for the brand since the fall, but Unsell plans to keep an eye on how well Frusen Gladje sells over the summer.

Because the stakes have gotten so high, even for the majors, the smaller, quirky brands are taking a different tack. "Our marketing image is very different from the brands that say their ice creams are from Europe," says Ben Cohen, president of Ben & Jerry's. "We're honest, down-home, funky, fun and happy, as opposed to elegant," he notes of the brand that has an appeal among the reformed hippie generation. Instead of being decorated with a Scandinavian map, Ben & Jerry's pictures the wholesome and bushy-haired owners, Cohen and Jerry Greenfield, the two high-school buddies from Long Island who started the company in 1978.

From a New England stronghold, Ben & Jerry's is gaining a footing in New York and throughout the Middle Atlantic region. With both pint sales at supermarkets and 15 franchises, it is poised for a major move West by the end of the summer, says Cohen. (The company raised nearly $2 million to finance expansion when it went public last year.) Cohen is allocating 4% of sales (or about $400,000 currently) to an advertising campaign. Mostly the ads are used to introduce the brand to markets via 10-second spots on late-night tv, and outdoor advertising.



Sealtest's neat little squares win many fans.

Ben & Jerry's also gets a lot of mileage from public relations antics. For instance, it mocked Pillsbury's efforts to cut off its distribution with flyers, posters and ice cream containers imprinted with the question, "What's the Doughboy afraid of?"

The progress of Ben & Jerry's has inspired lots of other regional companies to take bolder actions. Steve's, for example, has been bought by ice cream entrepreneur Richard Smith. Steve's flavors are very similar to its Vermont cousin, but it has an edge in distribution. Smith is also the chairman and CEO of Calip Dairies and T&W Suffolk, the New York tri-state area's largest distributors of ice cream.

Meanwhile, the West Coast's most popular brand, Dreyer's (or Edy's, as it's called in the East to avoid confusion with Breyer's) is blazing a trail from Chicago through to the Middle Atlantic states. "We believe in consumer pull," says John A. Sommerville, director of marketing. Edy's is packing a strong marketing program for its East Coast move. For instance, in the Baltimore/Washington D.C. area, a seven-month tv advertising campaign of 60-second spots is being run at a national spending rate of $20 million. Additionally, 4.5 million coupons were distributed through direct mail and free-standing inserts.

Most grocers had not planned for the sudden burst in popularity for designer-like ice creams. Now the difficult decisions are being made. "The ice cream category is extremely tight. We review the movement of brands on a constant basis so that we can maximize our profit potential," says Terry List, an ice cream buyer for the Jewel Food Stores. "And we still need to carry brands that are at the economy price level and a step above that." In its survey of 100 independent grocers, Find/SVP, an information clearinghouse, reports that only 9% replaced one super-premium for another. But 40% removed an ice cream at a different price level, 18% displaced an in ice cream novelty product and 15% just shoved the products a little tighter.

Perhaps grocers wished they would have planned a little better. Ice cream is bought by more households than any other item in the frozen food aisle. And ice cream is the third most profitable item after orange juice and premium-priced tv dinners.

With the economy improving and consumers' growing appetite for higher-quality ice creams, the ice cream market is bound to grow even tighter. Only those that can learn and afford advertising and promotion are likely to survive the coming shakeout. "I can't say who's going to survive. But no one has caught up with Haagen-Dazs," says Stevens. Then, the recently appointed president warns his rivals: "Watch our smoke. Over the next five years, Haagen-Dazs is going to become more exciting, more interesting and better." And, apparently, a lot more visible. ■

PUTTING THE FREEZE ON FRUIT

Remember those frozen ice pops mom fed you after a hard day's play? Well, now they're for adults too. These good-for-you treats are no longer just sugary ices, but fruit-packed delights that even weight watchers can nibble on.

Last year, $150 million was spent on fruit bars. And the field is becoming crowded as several big brand names try to bore into this new segment within the adult frozen novelty market.

Frozen fruit bars took off last year with the advent of Dole. That company, whose name is nearly synonymous with fruit, was approached with the idea for the product in early 1982 by the Southland Corp. operator of the 7-Eleven chain. Nine months later, during the summer of 1983, the Castle & Cooke, Inc. brand entered tests. It is priced at $1.89 to $1.99 for four to a box. "We thought there would be more pricing sensitivity, because this is higher-priced than many other frozen novelties," notes Tama Greenberg, director of marketing. "But it's not just sugary water. We've created a category for premium frozen novelties."

Dole's fruit bar went national last summer, helped by a joint venture with Southland to market and distribute the product. A fruit 'n cream bar rolled nationally in spring.

Dole has wrapped up more than half of the fruit bar category with a $40 million network tv, radio and print campaign that relates how the fruit bars "are a refreshing way to eat fruit." The campaign, running this summer, is handled by William Esty.

The latest national entrant to this booming market is another brand name better known for bananas. United Brands Co. and its newly created Chiquita Brands division is launching a series of products to transform itself from a commodities to a packaged good business. "We want to have an entire freezer case door that has Chiquita on it," says Burt Rubin, vice president and general manager of the consumer package good division. Chiquita Pops, priced from $1.99 to $2.79 for eight to a box, went national in April, after testing last summer in Atlanta, Denver, Philadelphia and Phoenix. A $28 million network tv and consumer magazine campaign by Ammirati & Puris positions Chiquita Pops as an appropriate adult snack that kids will also love. Promotional support, including, newspaper and magazine coupons, free-standing inserts and in-store sampling, was done during the spring.

Goodies have grown up.
Chiquita pops fruit & cream
Chiquita pops fruit & juice

Frozen fruit-based pops are for adults as well as kids.

Popsicle Industries, Inc. joined the pack this spring by introducing into test market, Fruitsicle Smooth n' Fruity bars, positioned against both adults and children. The Popsicle bar is in the 1 3/4 ounce size, smaller than competitors and with only 50 calories. They're priced at $2.65 for twelve to a box.

A tv campaign handled by Dancer Fitzgerald Sample is airing during daytime and prime time. In addition, coupons are running in newspaper food sections and free-standing inserts.

General Foods is on the list of interested parties, too. Having created the $110 million pudding pop market, the company is testing Fruit 'n Cream in Salt Lake City and Boise, Idaho.

Frozfruit Corp., which has been selling fruit bars for seven years, is seeking to defend its position against these big-name brands by calling itself the gourmet frozen fruit bar. Frozfruit charges 89 cents for a four-ounce bar with chunks of fruit but only 68 calories for most of the flavors. "Yuppies are the type who would like it," says Charles O'Brien, Frozfruit's vice president of marketing. "These people will have a banana bar at breakfast because they can eat it in the car," he points out. Frozfruit gets these young urban dwellers after a hard work-out too through distribution in health clubs.

Frozfruit has built a 10% share with good distribution in coastal markets through radio spots from Drossman Lehman Marino and mouth-watering point-of-display. "We're going to be okay. There is always room for a best," says O'Brien. "Some people are buying 50 of these bars every week."

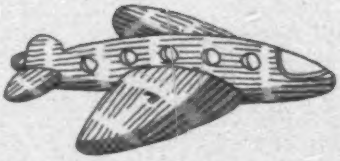
Rebecca Fannin

ILLUSTRATIONS BY STEVE HENRY

1985 BRAND LEADERS IN NEWSPAPERS

This isn't one of those years where spending records basically tell the whole story about newspapers. By far the biggest and most urgent self-assessment in the medium's history is lifting the spirits of publishers and closing the gaps between papers. Spending tables on the pages that follow show the tangible, outward vital signs of the medium's health. More telling in coming months — and certainly key to convincing advertisers to spend more in newspapers — may be the new service spirit of newspapers.

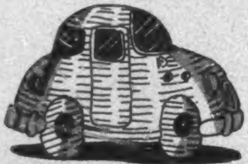
It's hoped that innovative thinking will speed up the pace of national ad investments in newspapers. The estimated U.S. national advertising investment in newspapers reported by the Newspaper Advertising Bureau for 1985 is $3,352,128,000 compared to



$3,081,000,000 for 1984 — an 8.8% increase.

Media Records, which bases its figures on 202 measured daily and Sunday newspapers, points out that their category totals (pages 70 and 72) will not coincide with U.S. totals because U.S. totals reflect earned discount rates, including preprints and zoned advertising. The category totals reflect advertising converted to dollars at the one-time open-inch rate.

National advertisers began to have hopes of complete standardization in newspapers in 1984, when the industry ended the chaos of over 400 ad formats measured by linage by instituting one standard column format measured in inches (approximately 2 1/16" wide). Use of standard advertising units (SAU) is now virtually industrywide. Another long-awaited innovation, satellite transmission of ad copy (AD/SAT), starts a test period this fall in 12 papers under the sponsorship of Britain's biggest commercial and newspaper printer, The Pergamon Press.



The biggest and best news is that newspapers are becoming more flexible in their stances toward the national advertiser. Faced with a declining share of the national ad pool, key newspaper executives convened in April 1985 and decided to face up to problems national advertisers have cited for years. The result, a 10-member task force committee called The Future of Advertising, has already oiled some sticky wheels.

By the annual convention of the American Newspaper Publishers Association (ANPA) this past April, the committee had produced a manual on readership and a guide to quality color reproduction. One task force is bringing the medium closer to standardizing everything from ad contract language to the classifications in the classified section.

NEWSPAPER AUTOMOTIVE DOLLARS: WHERE THEY COME FROM

			Total (100%)		Percent of auto total (100%) from:		
Rank	Brand	1985 Newspaper Investment	Trucks, pick-ups campers	Auto	Factory	Dealer assns.	Local dealers
1.	Chevrolet	$50,966,000	9%	91%	19%	8%	73%
2.	Ford	47,733,000	9	91	21	20	59
3.	Cadillac	31,209,000	0	100	4	10	86
4.	Chrysler	22,863,000	1	99	32	4	64
5.	Toyota	21,647,000	17	83	17	2	81
6.	Buick	20,389,000	1	99	10	24	66
7.	Oldsmobile	19,445,000	0	100	8	19	73
8.	Lincoln	19,150,000	0	100	14	27	59
9.	Mercedes-Benz	17,877,000	1	99	67	1	32
10.	Nissan/Datsun	16,381,000	20	80	12	13	75
11.	Dodge	15,495,000	9	91	8	11	81
12.	Pontiac	10,097,000	0	100	11	7	82
13.	Honda	9,083,000	1	99	10	7	83
14.	Volvo	8,970,000	1	99	60	8	32
15.	Jaguar	8,810,000	0	100	52	13	35
16.	BMW	6,984,000	0	100	36	24	40
17.	Mercury	5,842,000	0	100	38	19	43
18.	Volkswagen	5,573,000	2	98	37	18	45
19.	Mitsubishi	5,479,000	15	85	10	21	69
20.	Saab	5,285,000	1	99	75	8	17
21.	Mazda	5,036,000	9	91	23	9	68
22.	American	5,025,000	3	97	4	17	79
23.	Suburu	4,321,000	0	100	17	11	72
24.	Audi	4,194,000	0	100	36	26	38
25.	Isuzu	3,192,000	47	53	36	8	56

Source: Media Records/M&MD

Another task force is working to challenge such market competitors as direct mail by making greater use of newspaper circulation lists and delivery systems. Standard rate breaks, an industrywide discount structure, an innovative set of guaranteed national positions (for more, see "Print Beat," page 17), getting newspapers onto major expenditure listings and standards for audience demographics are but a few of the other changes being considered.

In the end, the new hope of newspapers is that the following charts will be filled with big pluses for years to come.

Introduction: Fred Pfaff
Project editor: Patrick Kelly

AUTOMOBILES

Automobile newspaper advertising rankings in 1985 (factory + dealer associations + local dealers) among the top three passenger cars remained the same as in 1984.

Chevrolet, in the number-one spot, increased its outlay 32% to reach $46.6 million; the 1984's increase was 61%. There was a shift in the source of these dollars with more (19% against 12%) coming from the factory. Dealer association contributions accounted for 8%; local dealers dropped to 73%.

Ford, with $43.6 million, was up 40% over 1984's $31.2 million. Its 1984 increase was a modest 8%. As with Chevrolet, more Ford dollars came from the factory (21% against 14%); the big dip was in the local dealer contribution — from 65% to 59%.

Cadillac, as it has been for the past three years, holds the third position which used to belong to the Chrysler brand. Chrysler, by the way, upped its investment in 1985 by 47% — from $15.5 million to $22.9 million, moving into fourth place.

Extraordinary increases were reported for other makes among the top 20. A sampling of those with increases of 50% or better include: Toyota — 67%; Mercedes-Benz — 177%; Volvo — 60%; Mitsubishi — 99%. In this same group only three makes showed 1985 totals below 1984. These were Volkswagen — off 27%; Mercury —

off 8%; Dodge — off 13%.

Beyond the top three, the rankings of the passenger cars, in order, show: Chrysler, Buick, Oldsmobile, Lincoln, Toyota, Mercedes-Benz, and Dodge in tenth position.

AIRLINES

Domestic carriers: Airline data are presented for both domestic and foreign carriers. The domestic carriers' investment data include expenditures for both domestic and international destinations where applicable.

People Express continued its upward enthusiasm for national newspapers in 1985. People entered the calculations in 1981 with an outlay of $1.4 million. Each year since then there has been a substantial increase with the big jump showing in 1984 (up 310% over 1983). This was followed in 1985 with an increase of 190%, reaching a total of $26 million (and the number-one spot) in search of both domestic and foreign destination business.

Eastern, after a 1984 decrease of 17%, increased its 1985 investment by 33% over 1984, reaching a total of $24.8 million and the second position. Pan American reversed a two-year downward trend, showing an increase of 82% to $20.9 million and the third spot.

Delta, with $17 million in 1985, dropped to sixth place from the number-one spot in 1984. Eastern moved up one position in 1985; TWA, second in 1984, dropped to fourth in 1985. American's $19.3 million in 1985 was an increase of 46%; United almost doubled its 1984 outlay — from $6 million to $11.7 million, an increase of 93%. Northwest Orient showed an increase of 63% — from $10.3 million to $16.8 million.

Foreign carriers/cargo: Among the foreign carriers the top three are British, Scandinavian and KLM Dutch. Of these leaders, only British was a repeat from 1984 with an investment of $3.7 million, up but 1%. Scandinavian, now second but sixth in 1984, reached $2.9 million, an increase of 52%. KLM Dutch moved into the third position from seventh in 1984. Its total of $2.4 million was up 43% over the previous year.

Four of the top ten in 1985 showed decreases from 1984. The top three total in 1985 was up 24% over 1984. However, the top three in 1984 invested 16% more than their counterparts in 1985.

Federal Express returns in the top spot among the cargo carriers in 1985, but its investment of $3.3 million was off 9%. United Parcel, out of the medium in 1984, came back with $900,000 and the second spot. DHL took over the third position with an outlay of $374,000 against $10,000 in 1984.

Purolator, number two in 1984, did not show in 1985; Quick International followed a $97,000 budget in 1984 with only $69,000 in 1985.

CIGARETTES

This year's report identifies 33 brands traceable to one of the six major manufacturers. The total newspaper investment for these six sources was $181.7 million, off 6% from 1984's $193.3 million.

The rank order of investment was Reynolds — 10 brands — $68.3 million — 37% of total; Philip Morris —

Where Do Upscale Products Meet An Upwardly Mobile Audience?

The Schenectady Gazette delivers the young reader with a high income. In fact, nearly half our readers, some 71,000 strong, have a household income of $25,000+ and an even higher number are between the ages of 25 and 54.
That's buying power, especially when you consider that we serve an area that has one of the lowest costs of living of any major market.
It's the right media to the right market. Just one of the reasons the Schenectady Gazette is distinctly different.

schenectady
Gazette
Distinctly Different

Represented by C.W.O. & O. Schenectady, N.Y. 12301 SOURCE: Fact Finders 1984 SMSA Study

seven brands — $61.4 million — 34% of total; Brown & Williamson — six brands — $27.3 million — 15% of total; Lorillard — four brands — $13.9 million — 8% of total; American — three brands — $7.2 million — 4% of total; and Liggett & Myers (Grandmet) — three brands — $3.7 million — 2% of total.

Reynolds, while leading the pack, was off 16% from 1984's total outlay of $81.4. Philip Morris was off 5% from its investment of $64.6 million in 1984. Brown & Williamson ran about even with $27+ million in both years. Lorillard was up 12% from $12.4 million. American, which had been lagging in newspaper activity, upped its three-brand outlay by 188% from $2.5 million, due to a resurgence in activity in support of Parliament — $4.7 million in 1985 against zero in 1984 and half a million in 1983. Data for 1982 showed $2.5 million. At the low end is Liggett & Myers, off 30%.

Individual brand activity remains as volatile as ever. The first five brands from 1984 remain in the top 20 (see accompanying table) but, for example, Merit, last year's number-two brand, is now in the 19th position.

Marlboro (Philip Morris) again holds the number-one ranking among all cigarette brands. Its 1985 newspaper outlay, however, is slightly off from 1984 — $29.1 million against $29.3 million. But each year is more than double 1983's $11.1 million.

Richland (Brown & Williamson) rose to the number-two spot in 1985 with $16.4 million. For the first two years of its newspaper ad history, it held the 19th spot with but $2+ million in national newspaper advertising.

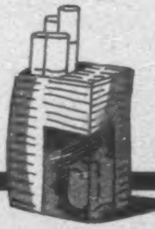
CORPORATE INVESTMENTS— 1985

Total

Percent of Total

[redacted]

Source: Media Records/M&MD



TOP 20 CIGARETTE BRANDS' EXPENDITURES IN NEWSPAPERS

1985 Rank	Brand	Mfr.	1985 Investment	1984 Investment	1984 Rank	1983 Investment
1.	Marlboro	PM	$29,064,000	$29,328,000	1	$11,062,000
2.	Richland	B&W	16,356,000	2,058,000	19	2,222,000
3.	More	RJR	14,701,000	10,651,000	7	13,536,000
4.	Virginia Slims	PM	13,793,000	4,127,000	17	4,241,000
5.	Winston	RJR	10,843,000	8,683,000	10	12,108,000
6.	Now	RJR	10,177,000	7,503,000	12	8,415,000
7.	Century	RJR	9,850,000	16,341,000	5	14,472,000
8.	Players	PM	7,498,000	–	–	23,944,000
9.	Benson & Hedges	PM	6,742,000	13,296,000	6	8,127,000
10.	Kool	B&W	6,088,000	17,574,000	4	11,031,000
11.	True	Lor	5,783,000	5,528,000	14	3,838,000
12.	Vantage	RJR	5,550,000	17,754,000	3	10,953,000
13.	Newport	Lor	5,387,000	1,244,000	–	469,000
14.	Sterling	RJR	5,053,000	10,556,000	9	–
15.	Parliament	Amer	4,686,000	–	–	516,000
16.	Belair	B&W	4,442,000	984,000	–	153,000
17.	Kent	Lor	2,631,000	5,603,000	13	8,508,000
18.	Camel	RJR	2,471,000	10,640,000	8	13,801,000
19.	Merit	PM	2,422,000	18,809,000	2	9,286,000
20.	Stride	L&M	2,384,000	426,000	–	–
	Top 20		$165,921,000			
	All others		$ 33,913,000			
	Total		$199,834,000			
	Percent of Total		83.0%			

Source: Media Records

Manufacturer code: Amer—American Tobacco; B&W—Brown & Williamson; L&M—Liggett & Myers (Grandmet); Lor—Lorillard; PM—Philip Morris; RJR—Reynolds

Looking back over other recent introductions, Richland's activity in newspapers was unusual. Other recent entries had tens of millions behind the brand in newspapers in the inaugural year. To wit: Sterling-RJR-(1984) — $10.6 million; Century-RJR-(1983) — $14.5 million. Eve (Liggett & Myers) came on the newspaper scene in 1984 with a $4.4 million newspaper backing, but dropped to the 25th spot in the second year with $1.2 million.

Another cigarette brand with an unusual spending pattern in national newspapers was Player's, a 1983 introduction from Philip Morris. In its first year, the brand was supported by almost $24 million; then nothing in 1984; and back up to $7.5 million in 1985.

Third spot in 1985 went to Reynolds' More with $14.7 million, up 37% over 1984.

LIQUORS

Seagram's is far and away the leader, but it continues its spending pattern of "up and down." This is not a mild undulation; it is an erratic program. In 1985 newspaper volume was off 24%. Previous annual changes going backwards were: +27%, -56% +43%.

In second place was Ballantine's (up from number three in 1984). The newspaper budget was increased 13% to $1.8 million. Johnnie Walker, off slightly from 1984, spent $1.5 million. J&B, second in 1984, was off 78% — from $2.5 million to $553,000. ■

[redacted]

TOP 100 NATIONAL NEWSPAPER ADVERTISERS—1985

Rank	1985 Investments	1984 Investments
1. General Motors Corp.	$140,979,000	$109,359,000
2. Philip Morris Cos.	78,031,000	69,023,000
3. Ford Motor Co.	77,295,000	62,063,000
4. R.J. Reynolds Industries	73,321,000	101,990,000
5. American Telephone & Telegraph Co.	57,210,000	58,200,000
6. Chrysler Corp.	42,000,000	34,962,000
7. International Business Machines	30,610,000	36,036,000
8. People Express Airlines, Inc.	29,212,000	8,953,000
9. B.A.T. Industries (Batus Inc.)	28,425,000	25,317,000
10. Eastern Air Lines, Inc.	24,838,000	18,654,000
11. Pan-American World Airways, Inc.	21,218,000	11,395,000
12. CBS Inc.	20,936,000	21,519,000
13. Trans World Airlines, Inc.	20,870,000	21,436,000
14. Toyota Motor Sales, U.S.A., Inc.	20,761,000	14,913,000
15. United Airlines, Inc.	19,987,000	6,112,000
16. RCA Corp.	19,537,000	36,962,000
17. American Airlines, Inc. (AMR Corp.)	19,534,000	13,496,000
18. Capital Cities/ABC Inc.	18,168,000	16,155,000
19. Mercedes-Benz of North America	18,008,000	6,545,000
20. Delta Air Lines, Inc.	17,116,000	26,331,000
21. Northwest Orient Airlines	16,851,000	10,265,000
22. Nissan Motor Co.	16,504,000	13,170,000
23. U.S. Government	15,826,000	16,797,000
24. NYNEX Corp.	15,133,000	11,781,000
25. Texas Air Corp.	15,075,000	17,636,000
26. American Express Co.	14,864,000	11,481,000
27. Loews Corp.	13,815,000	17,095,000
28. GTE Corp.	13,665,000	11,631,000
29. Time, Inc.	13,592,000	13,319,000
30. Norwegian Caribbean Lines	11,948,000	11,112,000
31. Xerox Corp.	11,351,000	8,595,000
32. Volkswagenwerk AG	10,966,000	11,051,000
33. Liberty Travel, Inc.	10,902,000	7,880,000
34. Ameritech	10,829,000	11,110,000
35. General Electric Co.	10,332,000	14,984,000
36. Honda Motor Co.	10,331,000	9,001,000
37. American Motors Corp.	9,902,000	7,572,000
38. Peugeot Motors of America	9,799,000	3,140,000
39. Volvo North American Corp.	8,970,000	5,599,000
40. Jaguar Cars Inc.	8,810,000	6,353,000
41. United Technologies Corp.	8,807,000	7,283,000
42. Cunard Line Ltd.	8,791,000	9,839,000
43. Beatrice Companies, Inc.	8,773,000	12,340,000
44. Republic Airlines, Inc.	8,352,000	9,16[illegible],000
45. Brown-Forman Inc.	8,187,000	4,791,000
46. Apple Computer, Inc.	8,139,000	8,026,000
47. MCI Communication Corp.	7,782,000	3,491,000
48. Pacific Telesis Group	7,706,000	5,142,000
49. Mobil Corp.	7,668,000	6,757,000
50. B.M.W. of North America Inc.	7,594,000	6,109,000
51. Procter & Gamble Co.	$7,345,000	$ 6,547,000
52. Southwestern Bell Corp.	7,286,000	5,798,000
53. Abernathy & Closter Ltd.	7,229,000	2,070,000
54. Grandmet USA, Inc.	7,101,000	12,842,000
55. Seagram Company Ltd.	7,054,000	9,426,000
56. Franklin Mint Corp.	6,960,000	6,654,000
57. Coca-Cola Co.	6,941,000	6,747,000
58. Pleasant Hawaiian Holidays	6,901,000	6,101,000
59. Bell South Corp.	6,820,000	7,260,000
60. Piedmont Aviation, Inc.	6,813,000	5,686,000
61. Royal Caribbean Cruise Line	6,591,000	6,860,000
62. Carnival Cruise Lines	6,506,000	5,129,000
63. USAIR Group, Inc.	6,471,000	6,349,000
64. Dart & Kraft, Inc.	6,433,000	6,919,000
65. Princess Cruises	6,198,000	6,639,000
66. Hyatt Corp.	5,990,000	11,762,000
67. Epson America, Inc.	5,975,000	9,761,000
68. Southwest Airlines Co.	5,953,000	4,109,000
69. PepsiCo, Inc.	5,926,000	5,036,000
70. Club Med, Inc	5,865,000	5,208,000
71. U.S. West, Inc.	5,722,000	4,981,000
72. Hattori Corp. of America	5,638,000	5,181,000
73. Anheuser-Busch Cos.	5,611,000	6,868,000
74. May Department Stores Co.	5,609,000	3,480,000
75. NEC Electronics Inc.	5,551,000	3,952,000
76. Midway Airlines, Inc.	5,529,000	5,365,000
77. Hearst Corp.	5,446,000	3,335,000
78. Mitsubishi International	5,362,000	3,217,000
79. Sitmar Cruises	5,158,000	9,731,000
80. Carlson Companies, Inc.	5,123,000	1,650,000
81. Mazda Motors of America (Central)	5,036,000	3,018,000
82. Frost Co.	4,962,000	3,838,000
83. Saab-Scania of America, Inc.	4,950,000	4,239,000
84. Blue Shield of California	4,792,000	3,053,000
85. Intl. Thomson Organization Ltd.	4,634,000	4,440,000
86. Sundance Cruises	4,621,000	1,468,000
87. Maytag Co.	4,481,000	3,565,000
88. World Airways, Inc.	4,471,000	4,507,000
89. Holland America Line-Westours	4,425,000	6,276,000
90. Carter Hawley Hale Stores, Inc.	4,420,000	2,728,000
91. Bell Atlantic Corp.	4,369,000	6,402,000
92. Doubleday & Company, Inc.	4,[illegible]2,000	5,263,000
93. Subaru of America, Inc.	4,321,000	4,557,000
94. Armstrong World Industries	4,218,000	1,537,000
95. Alamo Rent A Car	4,195,000	1,175,000
96. Rapid-American Corp.	4,183,000	3,615,000
97. American Brands, Inc.	4,050,000	4,994,000
98. Matsushita Electric Co.	4,046,000	3,217,000
99. Transamerica Corp.	4,040,000	4,014,000
100. Estee Lauder, Inc.	3,447,000	3,301,000

Total top 100 newspaper advertisers **$1,384,425,908**

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Air conditioning					
Carrier	$1,712,000	$2,697,000	$1,371,000	$1,474,000	$1,170,000
Bryant	1,130,000	704,000	349,000	309,000	529,000
Friedrich	1,049,000	536,000	748,000	476,000	493,000
Aircraft-equipment					
McDonnell Douglas	711,000	550,000	539,000	263,000	182,000
Grumman	372,000	501,000	227,000	19,000	370,000
Piper	336,000	203,000	171,000	23,000	5,000
Airlines—Domestic carriers					
People Express	26,012,000	8,953,000	2,180,000	1,621,000	1,446,000
Eastern	24,838,000	18,611,000	22,461,000	21,625,000	23,070,000
Pan American	20,900,000	11,464,000	19,093,000	23,634,000	17,166,000
Airlines—Foreign carriers					
British	3,703,000	3,662,000	3,075,000	3,423,000	2,255,000
Scandinavian	2,947,000	1,940,000	2,708,000	1,713,000	167,000
KLM Dutch	2,421,000	1,689,000	1,550,000	1,604,000	1,500,000
Aluminum & paper products					
Pampers	878,000	–	400,000	137,000	66,000
Kleenex	800,000	92,000	448,000	651,000	1,062,000
Luvs	561,000	228,000	417,000	270,000	140,000
Amusements					
Disney	2,225,000	866,000	977,000	552,000	602,000
Greenfield Village	310,000	314,000	254,000	24,000	16,000
Six Flags Autoworld	301,000	134,000	–	–	–
Auto lease-rental					
Hertz	8,215,000	7,524,000	8,429,000	4,682,000	5,053,000
Avis	5,178,000	5,053,000	3,655,000	2,245,000	3,609,000
Alamo	4,180,000	1,175,000	170,000	46,000	144,000
Automobiles					
Chevrolet	46,641,000	35,305,000	21,992,000	28,754,000	27,515,000
Ford	43,616,000	31,194,000	28,967,000	28,015,000	28,820,000
Cadillac	31,209,000	21,740,000	22,780,000	16,752,000	13,522,000
Baby food					
Heinz	715,000	29,000	34,000	–	41,000
Gerber	121,000	36,000	72,000	216,000	23,000
Beech Nut	71,000	–	129,000	124,000	116,000
Bakery goods					
Nabisco	573,000	2,189,000	3,308,000	2,932,000	2,678,000
Mother's Cookies	352,000	321,000	27,000	–	–
Wonder Bread	261,000	203,000	249,000	233,000	128,000
Baking ingredients					
Aunt Jemima	172,000	99,000	176,000	103,000	284,000
Betty Crocker	93,000	146,000	633,000	543,000	276,000
Pioneer	83,000	22,000	–	49,000	30,000

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Beers					
Budweiser	$3,117,000	$2,246,000	$2,242,000	$1,929,000	$939,000
Coors	2,055,000	657,000	1,016,000	1,153,000	746,000
Miller	1,925,000	1,279,000	1,556,000	490,000	173,000
Books					
Book-of-the-Month	2,833,000	2,897,000	2,546,000	2,387,000	2,191,000
Literary Guild	1,693,000	1,711,000	1,210,000	1,524,000	1,444,000
Morrow, William	1,150,000	1,108,000	753,000	718,000	822,000
Bus lines					
Greyhound	2,615,000	3,193,000	5,824,000	1,209,000	908,000
Trailways	1,653,000	1,474,000	1,235,000	896,000	652,000
Metropolitan Transit	757,000	235,000	98,000	229,000	177,000
Cable TV					
Home Box Office	4,023,000	2,747,000	1,460,000	6,305,000	4,285,000
Cablevision	3,066,000	4,406,000	2,781,000	1,199,000	–
ESPN	2,639,000	3,675,000	2,541,000	2,394,000	862,000
Cameras-photo supplies					
Kodak	2,578,000	3,595,000	5,105,000	3,650,000	2,401,000
Sony	968,000	595,000	733,000	–	–
Olympus	965,000	57,000	30,000	709,000	465,000
Cereals					
Post	1,035,000	935,000	296,000	443,000	151,000
General Mills	489,000	613,000	1,746,000	420,000	457,000
Ralston Purina	487,000	372,000	1,105,000	26,000	16,000
Cigarettes					
Marlboro	29,064,000	29,328,000	11,062,000	13,207,000	16,713,000
Richland	16,356,000	2,058,000	2,221,000	–	–
More	14,701,000	10,651,000	13,536,000	12,800,000	24,153,000
Cargo airlines					
Federal Express	3,258,000	3,587,000	896,000	864,000	937,000
United Parcel	919,000	–	159,000	218,000	67,000
DHL	374,000	10,000	–	542,000	808,000
Coffee					
Maxwell	2,397,000	112,000	681,000	1,188,000	1,827,000
Community	328,000	149,000	161,000	176,000	74,000
Colombian Ground	269,000	143,000	83,000	31,000	–
Computers					
IBM	28,703,000	33,014,000	7,786,000	4,630,000	1,900,000
Apple	8,139,000	8,026,000	5,123,000	2,235,000	262,000
AT&T	7,580,000	10,073,000	–	–	–
Condiments					
Kraft	826,000	559,000	899,000	1,104,000	1,203,000
Ragu	365,000	413,000	325,000	771,000	237,000
Vlasic pickles	261,000	463,000	105,000	33,000	188,000

TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Confectionery-snacks					
Blue Diamond Nuts	$857,000	$253,000	$156,000	–	–
Peter Paul Cadbury	789,000	338,000	411,000	273,000	273,000
Hollywood Brand Candies	400,000	–	–	–	–
Cosmetics					
Tova 9	2,301,000	1,878,000	1,939,000	1,040,000	–
Estee Lauder	823,000	631,000	679,000	432,000	330,000
Lancome	774,000	527,000	590,000	103,000	–
Couponers					
Valassis	129,958,000	99,256,000	61,735,000	38,951,000	23,439,000
Marketing Corp. of America–NCC/BFD	109,419,000	79,569,000	36,230,000	40,751,000	3,546,000
Marketing Showcase/Product Movers	79,997,000	50,675,000	35,377,000	20,543,000	11,887,000
Dairy products					
National Dairy Board	748,000	–	–	–	–
Frusen Gladje	735,000	24,000	40,000	21,000	–
County Line	657,000	646,000	263,000	97,000	63,000
Dental supplies-mouthwashes					
Topol	1,686,000	–	–	–	49,000
Crest	1,169,000	–	889,000	47,000	123,000
Lavoris	1,158,000	–	–	–	–
Disinfectants-insecticides					
Glade	643,000	–	–	–	–
Raid	570,000	445,000	531,000	329,000	1,040,000
Roach Prufe	257,000	824,000	1,065,000	904,000	432,000
Farm-garden					
Snapper	4,930,000	3,835,000	3,799,000	2,667,000	2,156,000
Toro	3,502,000	3,007,000	2,887,000	2,387,000	1,843,000
Lawn Boy	2,071,000	1,446,000	980,000	648,000	543,000
Feminine hygiene products					
Playtex	535,000	–	–	66,000	36,000
Always	321,000	1,033,000	68,000	–	–
Tampax	233,000	–	64,000	212,000	–
Floor coverings					
Armstrong	4,141,000	777,000	959,000	1,674,000	1,290,000
Mannington	281,000	219,000	165,000	132,000	–
Karastan	122,000	226,000	136,000	94,000	105,000
Fruit & vegetable juices					
Ocean Spray	285,000	381,000	290,000	348,000	561,000
Tropicana	252,000	496,000	974,000	1,010,000	515,000
Sunkist	157,000	69,000	133,000	47,000	33,000
Fruits-vegetables					
Bush's	318,000	151,000	118,000	–	–
Bird's Eye	279,000	446,000	313,000	325,000	411,000
Chiquita Bananas	264,000	111,000	–	188,000	317,000

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Gas-oil					
Mobil	$7,137,000	$6,448,000	$6,475,000	$7,226,000	$8,105,000
Exxon	2,742,000	1,711,000	1,808,000	1,304,000	1,110,000
Amoco	1,425,000	1,124,000	539,000	177,000	671,000
Headache remedies-sedatives					
Bayer	52,000	177,000	10,000	157,000	225,000
Nuprin	32,000	649,000	–	–	–
Datril	25,000	208,000	167,000	17,000	–
Insurance – Life					
Physicians Mutual	1,996,000	2,219,000	1,705,000	1,657,000	1,184,000
Metropolitan Life	1,676,000	1,151,000	242,000	1,614,000	1,882,000
New York Life	1,554,000	1,892,000	1,463,000	2,267,000	1,405,000
Jewelry – Watches					
Seiko	3,466,000	5,163,000	1,252,000	1,299,000	1,698,000
Lassale	1,851,000	–	–	–	–
Pulsar	684,000	533,000	37,000	29,000	157,000

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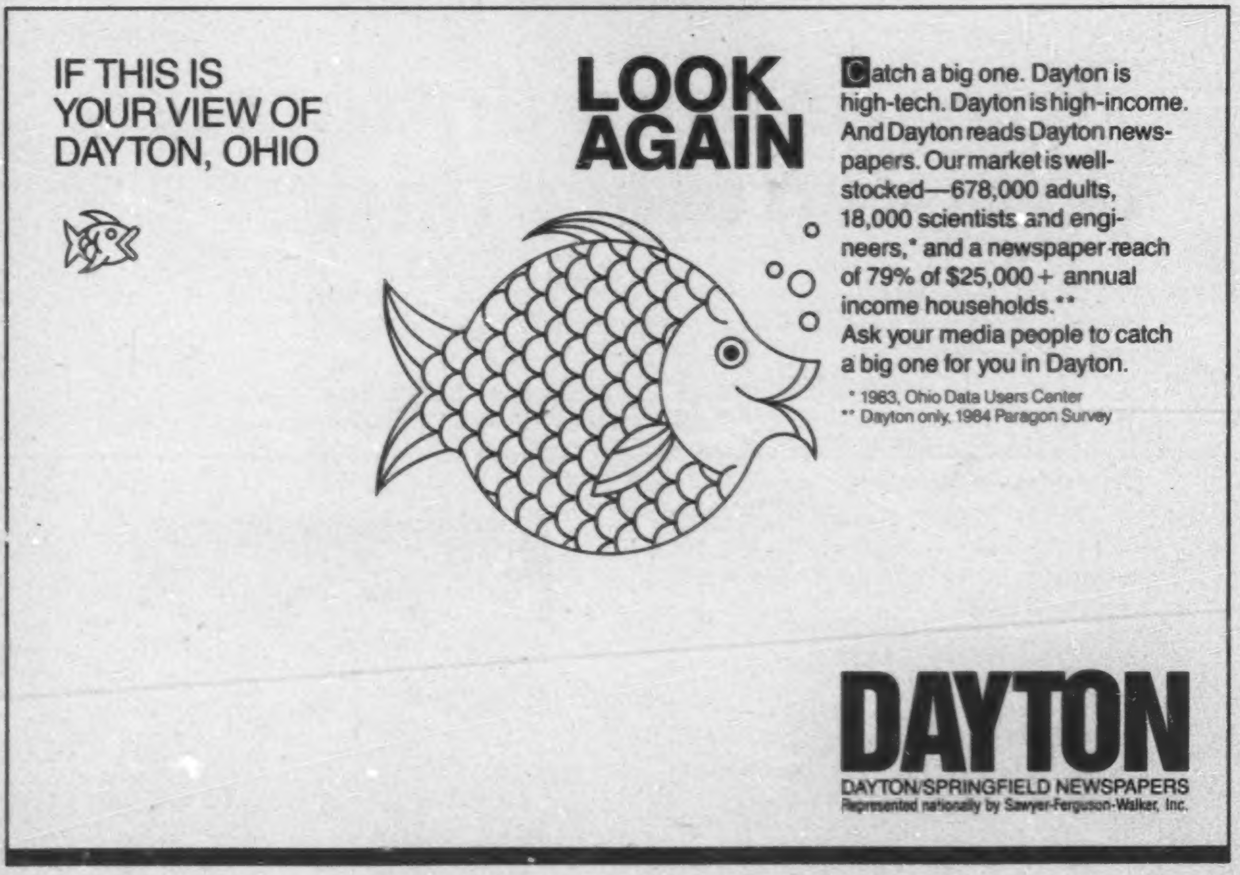

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YOUR VIEW OF
DAYTON, OHIO

LOOK
AGAIN

Catch a big one. Dayton is high-tech. Dayton is high-income. And Dayton reads Dayton newspapers. Our market is well-stocked—678,000 adults, 18,000 scientists and engineers,* and a newspaper reach of 79% of $25,000+ annual income households.**
Ask your media people to catch a big one for you in Dayton.

* 1983, Ohio Data Users Center
** Dayton only, 1984 Paragon Survey

DAYTON
DAYTON/SPRINGFIELD NEWSPAPERS
Represented nationally by Sawyer-Ferguson-Walker, Inc.

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Jewelry—Other					
Van Pler & Tissany	$1,109,000	$1,536,000	$120,000	–	–
Oneida Silverware	353,000	343,000	309,000	592,000	188,000
Swank	151,000	315,000	222,000	156,000	228,000
Liquors					
Seagram's	4,332,000	5,694,000	1,516,000	3,418,000	2,384,000
Ballantine's	1,841,000	1,623,000	1,149,000	253,000	433,000
Johnnie Walker	1,493,000	1,502,000	2,087,000	1,746,000	1,609,000
Lotteries					
New York State	1,317,000	702,000	793,000	923,000	900,000
Colorado State	644,000	196,000	433,000	–	–
Michigan State	601,000	680,000	1,081,000	1,449,000	1,341,000
Macaroni products (uncooked)					
Creamettes	718,000	211,000	140,000	357,000	225,000
Prince Macaroni	212,000	79,000	428,000	54,000	46,000
San Giorgio	103,000	146,000	118,000	164,000	165,000

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The Syracuse Newspapers
The Post-Standard / Herald American / Herald-Journal

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Magazines					
Time	$1,907,000	$1,470,000	$1,803,000	$2,526,000	$2,442,000
TV Guide	1,369,000	1,672,000	4,362,000	1,409,000	677,000
Fortune	1,138,000	1,870,000	880,000	594,000	390,000
Mail Order					
Abernathy & Closther	7,229,000	2,070,000	1,023,000	239,000	1,936,000
Franklin Mint	6,960,000	6,654,000	8,340,000	8,678,000	9,041,000
Shopping Mart	4,049,000	5,335,000	5,253,000	3,344,000	2,083,000
Meats-fish-poultry					
Hormel	1,529,000	5,122,000	4,299,000	3,203,000	3,328,000
Wilson	914,000	1,354,000	1,092,000	1,345,000	434,000
Foster Farms	576,000	457,000	604,000	311,000	81,000
Newspapers					
Investor's Daily	1,675,000	1,740,000	–	–	–
USA Today	1,079,000	1,190,000	1,717,000	835,000	–
The Wall Street Journal	530,000	557,000	649,000	423,000	284,000
Office equipment (minus computers)					
Xerox	8,882,000	7,819,000	12,892,000	5,728,000	4,956
Panasonic	2,197,000	307,000	643,000	27,000	9,000
Canon	1,912,000	1,575,000	163,000	350,000	219,000
Paints					
Sherwin Williams	1,852,000	891,000	647,000	353,000	457,000
Olympic	1,131,000	55,000	71,000	327,000	1,002,000
Benjamin Moore	504,000	579,000	311,000	277,000	317,000
Pet foods					
Purina	1,405,000	1,030,000	1,565,000	2,163,000	974,000
Alpo	562,000	1,444,000	776,000	247,000	116,000
Science Diet	336,000	28,000	77,000	–	–
Phonographs-records-tapes					
Columbia Record Club	10,211,000	10,274,000	7,959,000	7,018,000	5,974,000
RCA	4,330,000	6,712,000	8,723,000	6,966,000	5,480,000
CBS	2,178,000	939,000	280,000	87,000	56,000
Prepared dishes					
On Cor Entrees	607,000	902,000	299,000	95,000	38,000
Banquet	365,000	673,000	237,000	173,000	176,000
Old El Paso	250,000	245,000	49,000	–	–
Public utilities					
AT&T	49,565,000	47,865,000	23,610,000	4,426,000	1,280,000
General Telephone & Electonics	13,382,000	11,299,000	4,655,000	1,258,000	1,508,000
New York Telephone	8,042,000	6,573,000	7,733,000	6,565,000	2,105,000
Radio-tv sets					
RCA	1,427,000	6,391,000	3,936,000	2,991,000	3,587,000
Zenith	1,220,000	1,602,000	963,000	865,000	1,910,000
Sony	1,015,000	1,506,000	994,000	226,000	1,254,000

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Radio-tv stations					
ABC	$14,388,000	$12,144,000	$10,228,000	$10,241,000	$10,240,000
NBC	9,852,000	10,067,000	7,816,000	11,383,000	13,727,000
CBS	9,113,000	9,649,000	6,695,000	8,424,000	8,658,000
Railroads					
Amtrak	6,756,000	9,505,000	5,979,000	5,358,000	3,741,0000
Conrail	1,353,000	162,000	26,000	63,000	88,000
Norfolk Southern	463,000	217,000	226,000	106,000	–
Ranges-stoves-dishwashers					
Kitchen Aid	3,139,000	1,750,000	766,000	1,012,000	1,041,000
G.E.	1,485,000	1,455,000	2,182,000	655,000	394,000
Jenn	405,000	767,000	612,000	339,000	365,000
Shortenings-oils-margarines					
Imperial	282,000	881,000	566,000	482,000	349,000
Fleishmann's	256,000	328,000	220,000	642,000	416,000
Mazola	192,000	633,000	457,000	273,000	351,000

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84% market penetration.

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And we can deliver your message to just the right people with test market capabilities like split-run combinations, selective distribution, zoning and more.

Call Wally Just, National Advertising Manager, at (414) 224-2472. And get the Milwaukee market's Sunday best.

Source: 1985 Simmons–Scarborough Study

The Milwaukee Journal
Milwaukee Sentinel

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TOP BRAND SPENDERS IN NATIONAL NEWSPAPER SPACE

	1985	1984	1983	1982	1981
Soft drinks					
Coca-Cola	5,644,000	3,893,000	4,267,000	2,535,000	2,191,000
Pepsi-Cola	4,323,000	3,268,000	5,198,000	2,410,000	1,659,000
Royal Crown	2,338,000	747,000	1,244,000	1,044,000	975,000
Steamship lines					
Cunard	8,791,000	9,519,000	4,947,000	5,232,000	3,925,000
Norwegian Caribbean	7,043,000	5,028,000	4,684,000	3,898,000	3,888,000
Royal Caribbean	6,591,000	6,860,000	4,580,000	2,577,000	3,168,000
Tours-travel service					
American Express	14,121,000	10,793,000	7,226,000	8,557,000	5,059,000
Liberty Travel	10,901,000	7,872,000	5,356,000	3,853,000	3,312,000
Pleasant Hawaiian	6,715,000	6,093,000	5,572,000	2,334,000	1,183,000
Trucks-campers-vans					
Chevrolet	4,355,000	2,630,000	1,481,000	1,267,000	1,966,000
Ford	4,116,000	3,328,000	2,747,000	1,578,000	959,000
Toyota	3,732,000	4,583,000	1,476,000	1,561,000	1,399,000
Wearing apparel					
Maidenform	1,003,000	873,000	1,816,000	867,000	402,000
Fashion Galaxy	727,000	25,000	147,000	—	—
Ralph Lauren	711,000	2,079,000	2,174,000	1,747,000	843,000

NATIONAL ADVERTISING INVESTMENTS IN NEWSPAPERS, 1985-1984

Classification	1985 (000)	1984 (000)	Percent Change
AUTOMOTIVE			
Gasoline & Oil Companies	$18,164	$21,541	−15.7%
Leasing & Rentals	78,759	61,005	+29.1
Parts, Accessories & Supplies	7,227	8,475	−14.7
Passenger Cars (New)	537,998	400,631	+34.3
Trucks, Trailers & Mobile Homes	28,366	26,840	+5.7
Automotive Not Elsewhere Classified	2,653	2,679	−1.0
AUTOMOTIVE TOTAL	$673,167	$521,171	+29.2
GENERAL			
Alcoholic Beverages	87,459	105,292	−16.9
Beers	19,665	19,424	+1.2
Wines	10,813	9,616	+12.4
Liquors	56,981	76,252	−25.3
Amusements	13,546	14,239	−4.9
Cameras, Photo Supplies & Services	13,950	21,690	−35.7

Classification	1985 (000)	1984 (000)	Percent Change
Computers, Equipment & Services	92,651	116,927	−20.8
Educational	56,446	45,744	+23.4
Farm & Garden	37,604	32,885	+14.4
Foods	150,946	166,292	−9.2
Baby Foods	969	69	+1,304.3
Bakery Goods	9,267	14,875	−37.7
Baking Mixes, Flour & Ingredients	996	1,852	−46.2
Beverages	42,283	35,115	+20.4
Coffee	5,605	3,305	+69.6
Tea	1,330	1,481	−10.2
Fruit & Vegetable Juices	3,941	7,419	−46.9
Soft Drinks-Carbonated-Diet	3,268	6,435	−49.2
Soft Drinks-Carbonated-Non Diet	21,969	10,577	+107.7
Miscellaneous Beverages	6,170	5,898	+4.6
Cereals	3,395	4,297	−21.0
Condiments	6,436	6,432	+0.1
Confectionery & Snacks	8,748	9,402	−7.0

[redacted]

Classification	1985 (000)	1984 (000)	Percent Change
Dairy Products	20,720	22,172	−6.5
Desserts & Dessert Ingredients	1,384	1,250	+10.7
Fruits & Vegetables	7,457	8,099	−7.9
Macaroni Products-Uncooked	1,844	1,470	+25.4
Meats, Fish & Poultry	19,210	25,476	−24.6
Prepared Dinners & Dishes	7,652	11,550	−33.7
Shortenings, Oils & Margarines	4,472	6,860	−34.8
Soups	2,627	1,652	+59.0
Sugars, Syrups & Jellies	1,696	1,783	−4.9
Miscellaneous Foods	11,790	13,938	−15.4
Franchise Offers	9,016	9,301	−3.1
Help Wanted	97,466	104,618	−6.8
Hotels & Resorts	189,451	160,265	+18.2
Household Furniture & Furnishings	24,499	21,823	+12.3
Household Heating & Home Heating Equipment	14,627	14,341	+2.0
Household Supplies	42,304	39,941	+5.9
Household Equipment & Appliances	73,731	79,335	−7.1
Industrial	65,655	55,150	+19.0
Insurance	84,132	53,234	+58.0
Jewelry, Watches & Silverware	11,807	13,258	−10.9
Mail Order	55,867	49,242	+13.5
Medical Products & Drugs	19,655	34,700	−43.4
Pets & Pet Supplies	7,228	8,381	−13.8
Political	6,619	19,171	−65.5
Professional & Service	21,036	17,043	+23.4
Public Service Utilities & Communications	176,720	174,593	+1.2
Publishing & Media	237,436	230,462	+3.0
Real Estate	65,581	48,273	+35.9
Sporting & Leisure Time Equipment	7,645	10,665	−28.3
Tobacco	204,013	236,354	−13.7
Cigars	1,511	530	+185.1
Cigarettes	199,834	234,502	−14.8
Tobacco & Smoking Accessories	2,668	1,322	+101.8
Toiletries & Toilet Goods	30,594	21,624	+41.5
Transportation	604,593	526,336	+14.9
Airlines	297,758	264,223	+12.7
Domestic	170,884	165,648	+3.2
International	121,610	93,874	+29.5
Cargo	5,264	4,701	+12.0
Bus Lines	9,866	9,051	+9.0
Railroads	10,153	11,525	−11.9
Steamships	91,947	88,033	+4.4
Tours & Travel Service	186,417	147,031	+26.8
Miscellaneous	8,452	6,473	+30.6
Wearing Apparel	29,005	39,589	−26.7
General Not Elsewhere Classified	424,538	344,028	+23.4
GENERAL TOTAL	$2,955,820	$2,814,296	+5.0
Classification	**1985 (000)**	**1984 (000)**	**Percent Change**

Classifications projected to U.S. totals by Media Records ©1984

The full report is available from Media Records, 370 Seventh Ave., New York, N.Y. 10001. Prices are $1,200 for the full report; $175 to $345 for complete class breakouts; and $125 for a sub-class reading.

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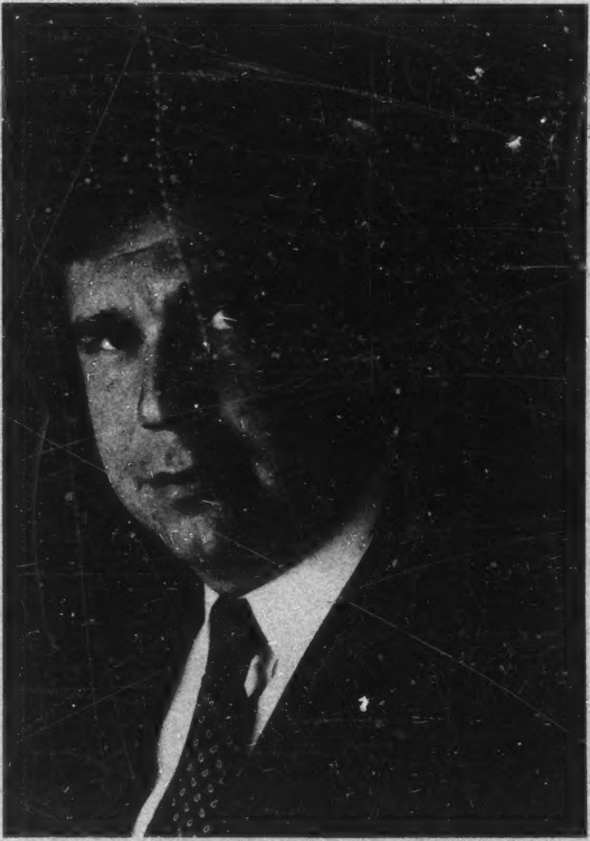

BRAND REPORT

NO. 134: SPORTING GOODS

A TIGHT GAME

by Fred Pfaff

"There is no such thing as a hot sport now,'' says Dick Lipsey, sports research director at Port Washington, N.Y.-based NPD Group. And that fact faces equipment marketers with a tough challenge: to keep and to sell the same customers on new, improved merchandise.

Nike is not just for running shoes, as evidenced by their golf line.

It may be no surprise, then, that Lipsey names "the performance markets'' — referring to such pursuits as routinized exercise — as growth categories. The practice caught on so quickly that the tools for it are new to everyone involved; frontrunners can run up sales until all players are supplied. For most other sports categories, though — staples hunting and fishing come to mind — a dearth of new buff segments has made them commodity markets, where most sales are replacements.

Such is the environment confronted by the major brands in the top eight sales markets — the marketing and media players this report profiles. Year-end 1985 sales tallies by the National Sporting Goods Association suggest this order: (1) athletic footwear, $2.6 billion; (2) firearms and hunting equipment, $1.7 billion; (3) exercise equipment, $1.2 billion; (4) camping equipment, $723.9 million; (5) golf equipment, $737.9 million; (6) fishing equipment, $680.7 million; (7) downhill skis, $462.5 million; (8) tennis equipment, $273.4 million.

There are those who fear for the future of sports marketing. "The sporting goods business just isn't attractive to a lot of young people,'' says Dick Lipsey.

Meanwhile, the fitness craze has helped breed tougher customers, more attuned to performance than ever before. Lipsey contends that "you can't sell a bad piece of sports equipment. The buyer today is much more educated and conscious of quality.'' But ad support from manufacturers is often too little to address this fact. "It's an industry that needs the most advertising talent,'' Lipsey rues, "but since the revenue is the least for the agency, they give the job to the kid who just walked in the door.''

His assumption is that companies could use talent tapped in to a changing marketplace where the old values have given way. Gone may be the days when consumers love a sports product because it lasts. In a society of exercise devotees who link fitness with sex appeal, Lipsey doubts "durability means anything anymore. Performance and fashion are the buzzwords of sports today.''

ATHLETIC SHOES

Glance at feet on the street anywhere in the U.S. and you can guess the hottest category and brands in the sports marketing world. The athletic shoe business, buoyed by a three-year-old import sensation from England named Reebok (formally named Reebok International), hit sales of $2.6 billion in 1985 according to NSGA.

Ad competition is getting tougher, and distinct. Reebok put its ad budget up over $10 million for new print efforts and its first try at tv this year, going for the fashion-conscious masses. Nike nips its heels by hardening a media schedule in buff books while also opening up to more tv time.

Reebok International "just blew everyone's minds," says Bob Carr, editor-in-chief of *Sporting Goods Business*. Translation: Without a list of best-liked athletes endorsing their shoes — the standard first step in today's sports world — the company sprang up 372% to $307 million in 1985 sales, and is expected to top $600 million in 1986.

To maintain this pace, Reebok is beefing up its marketing staff and upping its ad expenditures to over $10 million in 1986. LNA reports the company spent $3.8 million last year, but Reebok reports it spent $6.5 million. Prime time tv now joins expanded print schedules. According to Sharon Cohen, vice president of advertising, 30-second spots for a new line of basketball shoes (models 4600 — $46, 5600 — $56 and 6600 — $66, which the company hopes will let it step out of its image as a yuppie women's brand) run in the NBA playoffs and finals in five markets: Chicago, New York, Los Angeles, Philadelphia and Boston, whose Celtics stars Danny Ainge and Dennis Johnson will be sporting the models. Two-page, four-color ads in *Sports Illustrated* will also showcase the new shoes.

A series of new product-specific ads with a consistent new look will appear by fall. An Instructor 5000 state-of-the-art aerobic shoe, among other products, will be photographed instead of illustrated, as brand awareness ads have been. A print backbone balances special-interest books with general consumer publications such as *Sports Illustrated*, *Esquire*, *Self* and *GQ*. Meanwhile, print ads for new walking shoes planned for *Walking* and general consumer books are evidence that at Reebok the bet is heavy on the expected boom.

Reebok rewrote the rules in positioning its shoes.

That's not so at **Nike, Inc.**, whose Air Jordan basketball shoes — backed by superpro Michael Jordan — helped shoot sales up 21% for the first nine months of its fiscal year 1986 alone (from $431.5 million for June 1984-February 1985 to $521.4 million this year). The company is sticking with shoes for the sports it currently serves.

According to Brown, the company is limiting its huge list of pro endorsement contracts and cutting back on wide sponsorships that extended down to high school teams. Brown won't cite figures, but says the company that made its mark with sponsorship now keeps a closer ratio of ad-to-sponsor dollars than ever. According to LNA, Nike put $2.4 million behind its 1985 ad efforts.

"We're becoming more product oriented than brand oriented in our advertising," says creative director Peter Moore, whose action ads let consumers fancy they're in the athlete's shoes. Running shoes ads continue in such buff books as *Runner's World* as well as in grass roots magazines — placements intended in part to promote the sport itself. The broader-based tennis and basketball markets get broader schedules. Once confined to such vertical books as *World Tennis* and *Tennis*, Nike's Wimbledon line goes into *Sports Illustrated* and onto tv this spring. In addition to *Sports Illustrated* and tv exposure, Air Jordan and the Big Nike high-cut basketball shoes go on the tube. Various shoes are also showcased in *Vogue*, *GQ*, *Mademoiselle*, *Rolling Stone* and *Esquire*.

FIREARMS AND HUNTING

"Hunting is dead." The statement fires like a gunshot from Bob Carr, editor-in-chief of *Sporting Goods Business*. Marketers and industry watchers dispute his drama but agree with his reasons: ever fewer areas to hunt, high fees for permits and the sport's burgeoning social stigma. Largely a retirement game, hunting hovered at over 21 million participation last year, according to NPD Group's Dick Lipsey.

Some marketers blame themselves for the low cultivation rates that make

THE WINCHESTER MODEL 94...
DON'T SET YOUR SIGHTS ON ANYTHING LESS.
20

Rebate offers abound in the firearms segment, which relies heavily on replacements.

rifles a replacement market. "Generally speaking, there's been relatively little creativity on the part of the firearms industry to arouse interest and get new hunters into the game," says John W. Shields, vice president of marketing for U.S. Repeating Arms, maker of the famous Winchester brand rifles. "But it would take tremendous money to get new hunters so that we could sell rifles to first-time shooters."

"There's no profit on guns anymore," says Mark Klionsky, managing editor at *Sporting Goods Business*. "Fewer stores want to carry them. Manufacturers may expect slight sales increases, but profits keep going down. It's a very unstable business." To make matters worse, he notes, sporting goods and hunting specialty stores are refusing such dominant brands as Re-

SPORTS EQUIPMENT ADVERTISING EXPENDITURES, 1985

COMPANY (BRAND)	TOTAL ($000)	MAGAZINES ($000)	NEWSPAPER SUPPLEMENTS ($000)	NETWORK TELEVISION ($000)	SPOT TELEVISION ($000)	NETWORK RADIO ($000)	OUTDOOR ($000)	CABLE TV NETWORKS ($000)	NEWSPAPERS ($000)
ATHLETIC SHOES									
Reebok USA	3,825.6	3,720.9	97.0	–	7.7		–	–	–
Nike Inc.	2,415.7	620.5	–	40.8	1,422.8	–	5.1	326.5	–
Converse Inc.	3,058.5	1,814.8	–	775.2	426.2	–	1.4	40.9	–
Adidas USA	703.7	288.6	–	82.3	6.0	–	–	326.8	–
FIREARMS AND HUNTING									
Dupont de NeMours E.I. and Co. Inc. (Remington)	563.4	563.1	–	–	–	–	0.3	–	–
Olin Corp./U.S. Repeating Arms Co. (Winchester)	455.4	454.6	–	–	–	–	–	0.8	–
Sturm Ruger & Co. Inc.	292.5	292.5	–	–	–	–	–	–	–
EXERCISE EQUIPMENT									
Diversified Products Corp.	6,334.8	2,093.6	–	4,235.6	5.6	–	–	–	–
Ajay Enterprises Corp.	502.2	–	–	495.4	2.4	–	–	–	–
Marcy Gymnasium Equipment Co.	383.9	379.1	–	–	–	–	4.8	–	–
CAMPING EQUIPMENT									
Coleman Co. Inc.	1,229.6	504.5	141.5	–	351.1	–	2.3	230.2	–
American Home Products Corp. (Wenzel, Kelty)	NA								
FISHING EQUIPMENT									
Brunswick Corp. (Zebco)	228.1	165.5	–	14.2	0.9	–	–	0.5	47.0
Daiwa Corp.	456.2	149.0	–	–	136.6	–	–	170.6	–
Anthony Industries (Shakespeare)	444.9	410.4	–	–	34.5	–	–	–	–
Berkley & Co.	1,003.1	906.1	–	–	76.3	–	–	20.7	–
GOLF EQUIPMENT									
Acushnet Co. (Titleist, Pinnacle)	5,639.4	2,457.9	–	2,977.9	169.2	–	–	34.4	–
Wilson Sporting Goods Co.	1,772.5	331.4	–	1,376.6	12.0	–	–	52.5	–
Spalding & Evenflo Co. (Spalding, Top Flite)	5,804.8	2,542.7	–	3,063.5	76.0	–	–	122.6	–
Minstar Inc. (Ben Hogan)	2,655.8	1,354.8	–	1,263.1	37.9	–	–	–	–
DOWNHILL SKIS									
Rossignol Ski Co.	150.8	142.5	–	–	1.5	–	6.8	–	–
K2 Corp.	71.3	71.3	–	–	–	–	–	–	–
Olin Corp.	130.5	130.5	–	–	–	–	–	–	–
TENNIS RACKETS									
Prince Manufacturing Co.	1,882.5	979.9	–	902.6	–	–	–	–	–
Wilson Sporting Goods Co.	294.5	287.9	–	–	–	–	–	6.6	–
Minstar Inc. (Head)	834.6	834.6	–	–	–	–	–	–	–
Kennex Sports Corp.	213.8	213.8	–	–	–	–	–	–	–

Sources: Leading National Advertisers; Media Records for newspapers; Spot radio figures for 1985 unavailable.

mington and Winchester because the lines now sell to discount mass merchants like Sears.

Media options are few. Tv time is beyond many hunting budgets, and a federal law prohibiting gun sales to non-state residents makes direct mail illogical at best. Luckily, "There are many more magazines targeted to the hunter than we have a budget to cover," says Shields at U.S. Repeating Arms.

Fewer hunting areas, higher fees and a bad image have hurt the sport.

Remington Arms Co., considered the category leader with a major stake in shotguns, now approaches both the upscale and non-upscale hunter with ads for four new products: a model 870 "Wingmaster" shotgun, an interchangeable choke tube system (which patterns a shotgun shot) called "Remchoke," a pricy model 700 mountain gun and a special-purpose shotgun for hunting deer. The new product ads supplement six "game specific" ads, themed "Remington Country," that were introduced in 1985 to stress product applications.

According to Mark Sweetland, account executive at agency Rumrill-Hoyt, Remington balances buys of national outdoor and hunting magazines with schedules in their regional competitors. To *Field & Stream, Outdoor Life* and *Sports Afield* are added a list of books that includes *American Hunter, The American Rifleman, Guns & Ammo, Shooting Times, Fins and Feathers* and *Alaska*. Dealers get co-op funds equal to a percentage of their 1985 product purchases. LNA reports that the company made all but $3,000 of its $563,400 1985 media buys in magazines, but Sweetland counters that both the 1985 and 1986 budgets top $1 million.

Buying concentrates on magazines for **Olin Corp.** and struggling licensee **U.S. Repeating Arms Co.**, makers of the other dominant brand, Winchester. Olin makes the double-barrel shotguns, U.S. Repeating Arms the rifles and single-barrel shotguns. Multi-million dollar debt drove U.S. Repeating Arms into Chapter 11 this past January.

But the company doesn't expect its current financial, managerial and marketing restructuring to cut heavily into advertising. According to LNA, $325,900 backed the brand in magazines last year. Vice president of marketing John W. Shields says the U.S. Repeating Arms schedule — ads without themeline that stress the company's quality craftsmanship — keeps going in national books: *Guns and Ammo, Shooting Times, Sports Afield, American West, Outdoor Life, Field & Stream* and *The American Rifleman*. Meanwhile, Olin's shotgun ads continue in such gun books as *Shooting Times, Guns, Trap & Field* and the *American Shotgunner*.

According to LNA, competitor Sturm, Ruger & Co. Inc., a big name in semi-automatic rifles that limits distribution to 90 wholesalers and wins praise from one industry watcher as

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Exercise equipment is almost certain to experience a shakeout.

"the healthiest company in the firearms industry," spent $292,500 in magazines in 1985.

EXERCISE EQUIPMENT

The hype that induced more than a few bod-conscious Americans to put treadmills and dumbbells in their dens is beginning to cool down. While sales suggest the category is still hot (a rise from $1.06 billion in 1984 to $1.25 billion in 1985, according to the NSGA), some say the market has changed direction; they're bracing for a shakeout.

"We're facing dynamic changes in the industry," says Dick Rogers, executive vice president at Walker & Associates, agency for category leader Diversified Products Corp. (DP) "Everybody who could make or import something got into the fitness industry when the boom was on. That brought tremendous competition for floor space and a price-point battle. Now we're seeing a shakeout. And we're seeing a separation of low-end and high-end products with nothing in the middle."

One noteworthy trend is the fact that, of the 24 million Americans exercising with equipment in 1985, half were women, according to Dick Lipsey, sports research director at Port Washington, N.Y.-based NPD Group. Home gym use is a 30% female routine, cycling a 70% female exercise. To disprove more assumptions, some marketers now see the health-conscious among the over-40 segment as their hottest target.

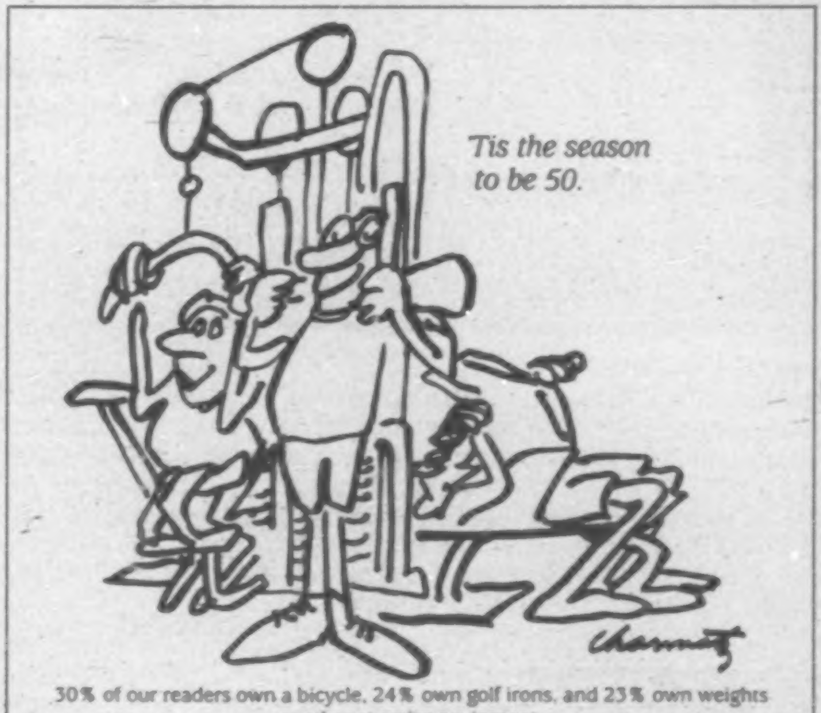
Sporting Goods Business managing editor Mark Klionsky says the new buzzwords are specialization and versatility. Over half the fitness companies, he speculates, exploit small niches with specialty products; others plan sets that do it all. "Companies are looking to broaden the appeal of the machines," concurs NPD's Lipsey. In sports, that means high tech: Combined recumbent cycle-rowers are but one type of versatile set Lipsey sees prodding the category.

Leader DP offers many options.

Diversified Products Corp. (DP), the largest manufacturer of exercise equipment, built the biggest share (DP claims 60%) by making the most products, pricing affordably and concentrating on brand awareness. Barbells, treadmills, exercycles, rowers and home gyms (12 GymPac models from $229 to $500) — DP makes it all.

Price is key to DP's favor among the "unsophisticated consumer," contends *Sporting Goods Business*' Mark Klionsky. "They're making a low-end, mass-merchandise product and promoting it through the typical mass-merchandise channels." To be sure, LNA reports that tv takes the lion's share of DP's $6.3 million ad campaign, tagged "DP fit for life."

Last year, DP widened its ad sights. Male-oriented programing was balanced with prime time. "We stayed in *Monday Night Football*, but moved into *Dallas* and *Dynasty*," says Dick Rogers of agency Walker & Associates, who installed DP equipment in his agency and pumps GymPac before every afternoon run. Cable buys and schedules in *People*, *Esquire*, *Time*, *Sports Illustrated* and *Self* rounded out the mix, which LNA reports cost the company $6.3 million. Now DP is readying to challenge the category's — and its own — traditional target (25-



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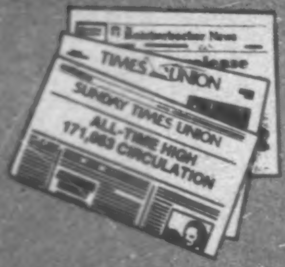

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54, 50%-50% men/women, $25,000+ household income) with a campaign set to break by September.

Ajay Enterprises Corp. built the second-placed share, according to industry watchers, with a similar strategy: mass merchandising a broad product line. According to LNA, Ajay spent $502,200 on media in 1985, while another competitor, Marcy, spent $383,900 in total.

RODS, REELS AND TACKLE

"We're constantly fighting the participation battle," sighs Tom Conley, executive vice president at the American Fishing Tackle Manufacturers Association (AFTMA). "Our sport hasn't been growing in the past few years. We're trying to get a whole new generation of anglers created."

Sporting Goods Business' Bob Carr notes fishing is static but recession proof. A rod and reel isn't a major expense. Some high tech new products aside, he says, "you're fishing for less than you were 10 years ago." Sales are largely replacements; fishermen need various reels for different fishes. But the move to high tech is coming in areas that may hurt rod and reel sales. Among them are electronic fish finders, depth finders, sprays that excite fish and computerized selectors that tell fishermen what color lure to use.

Brunswick Corp.'s **Zebco** Division built its category lead — it claims a 38% share — brand awareness and record sales year in 1985 with product breadth and less media reliance than its competitors. A state-of-the-art baitcast reel, the Quantum ($79), drew most of the company's $181,100 1985 budget as reported by LNA, with mass audience ads in such outdoor books as *Outdoor Life* and *Field & Stream* and fish-specific ads in such regionals as *Salt Water Sportsman*. National and regional cable fishing shows and retailer promotions round out the effort.

Number-two **Daiwa Corp.** spends more for a smaller 19% share, according to one industry observer. LNA estimates the company spent $456,200 last year to cast out its message, "In fishing, there's Daiwa and a school of imitators." This spring the company breaks ads for six new reels. According to Deb Bynum, media supervisor at agency WFC Advertising, buys in trade books *Sporting Goods Business, Sporting Goods Dealer, Fishing Tackle Trade News* and *Fishing Tackle Retailer* are supplemented by schedules in 100 national, regional and local magazines. The list includes *Field & Stream, California Angler,* and *Outdoor Life*..

Reel Force.
Daiwa

Daiwa advertises in over 100 national, regional and local books.

These two are the biggest, but not the only fish in the sea. LNA reports that Anthony Industries Inc. billed $444,900 for its highly regarded Shakespeare line, while Berkley & Co. outspent them all. LNA reports the Berkley line had a $1 million media backing, mostly in magazines.

TENNIS RACKETS

Marketers agree that tennis is "flat," as number-two Wilson Sporting Goods Co. vice president of advertising and director of public affairs David Lumley prefers to put it. Participation has waned since tennis' boom in the early '70s, when televised tournaments helped win a broader following. According to Lumley, the game has since lost 30%-40% of its players to such other activities as jogging and biking. Now 19 million play tennis, 600,000 less than in 1984, according to NPD Group's Dick Lipsey.

"We depend upon replacements," says Ed Volkwein, vice president of marketing at category leader Prince Manufacturing Inc. Price-conscious consumers aren't complaining — the trouble in selling rackets has brought prices down sharply. Notes Dave Hol-

THE SPECTRUM OF VICTORY
prince

Top-ranked Prince adds consumer magazines to its buff lineup.

lis, customer service manager at Donnay USA, "There are now an enormous number of good-playing graphite rackets for under or around $100. Five years ago, they were around $175." Hollis sees specialty stores thriving off consumer confusion at the plethora of sizes, shapes, brands and technologies in the market.

Major racket makers are now balancing their sponsorship of big-name touring pros — an essential practice on which some feel they relied, and spent, too much — with clinics and demonstrations at the grass roots level, but the prognosis is mixed. Lipsey contends that the game courts the youngster at the expense of an aging market, and may be in for rude surprises as a result. But Donnay's Hollis counters, "There are a lot of small things happening in tennis that add up to a bit of a real rebound."

Prince Manufacturing Inc., the category leader, keeps building its product line. The company jumped into the lead in the '70s with the introduction of the first "oversized" rackets (series 110). Last year new midsize (series 90) and kingsize (series 125) models hit the stores. All told, Prince now markets 10 models, priced from $39 to $499, and makes most sales on its oversized rackets.

To pull together the various rackets and such other products as apparel, Prince carries on a repositioning campaign begun last year. According to Ed Volkwein, the new tagline, "Let the games begin," aims to suggest "you've got the best equipment in your hands." Both brand and product ads (for series 90 midsize models and new ceramic racket, the Spectrum Comp) get heaviest schedule spending for cable telecasts of pro tournaments. Since Volkwein realizes the tennis books reach only a small segment of the tennis public, such buys are rounded out by *Rolling Stone, People* and, for upper-income reach, *The New Yorker*.

Wilson Sporting Goods Co., the perennial first name in tennis when rackets were wooden, has started its way out of a deep slump that followed industrywide changes in racket composition. Wilson lagged the boom in oversized rackets, a misjudgment traceable in part to the company's then-parent, PepsiCo Inc.

"In our great growth years from the 1940's to the 1970's, we were always the innovator," says David Lumley. "In the late '70s, we took the Pepsi strategy: Let someone else innovate, then come in and beat them on price and distribution. But we found out that in sporting goods, who comes first wins."

Leadership is now the buzzword at Wilson. Chairman and chief executive officer Jack Murray and a group of investors bought back the company last September. Since then, Murray has trimmed $4 million from its payroll, restructured management and stepped up a computerization that's cut racket development time by 40%. Since many top pros are taken for endorsements, the company is sponsoring juniors who

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13, 14 Albany • Marriott Hotel
*19, 20, 21 New York • Grand Hyatt

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10, 11 Houston • Marriott By The Galleria
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may be future stars. Wilson is also right in front with the next high tech step: ceramic rackets, which reduce vibration.

Advertising is back to basics, says Lumley, as the company tries to reestablish itself among "hardcore consumers." According to LNA, Wilson spent $287,900 on magazines and $6,600 on cable for its rackets in 1985. This year, says Lumley, $300,000 worth of ads explaining that ceramic rackets aren't brittle are slated for the buff books, with single-page and spread buys of *Tennis, World Tennis, Inside Tennis*, regional *Tennis West, Tennis Industry* and *Tennis Buyer's Guide*. The promotion budget, meanwhile, calls for more than $3 million.

While a constant purchase and $129 million subset, balls don't get big billings. Wilson's Rally, a 7%-larger 1985 introduction, has yet to sell off its initial production run; yet Lumley says Wilson's share jumped about 10% to 60% last year. Wilson now aims for endorsements by major pro tour events and the free advertising that results. Main competitor Penn Athletic Products Co., searching for an agency, hasn't run an ad in almost a year.

According to LNA, third-ranked competitor Minstar Inc. spent $834,600 to advertise its Head rackets last year. Tv commercials starring black tennis legend Arthur Ashe once aired for Head's rackets. But Minstar is tightening the advertising focus. Head's four new Mid-Plus Pro Series rackets get the sell through fun print ads for serious players in such magazines as *Tennis, Tennis USA* and *Inside Tennis*. LNA shows that runners up Yonex Corp. and Kennex Sports spent $301,500 and $213,800 on ads in 1985, respectively.

GOLF EQUIPMENT

It's only logical that golf participation has increased over the past 10 years. It is, after all, the perfect game for a greying population. Last year, rounds played were up, according to NPD Group's Dick Lipsey. That regular players are playing more often is good news for marketers, particularly of golf balls, big moneymakers that Wilson Sporting Goods Co.'s David Lumley calls "probably the singular most profitable products in sporting goods."

Golf remains largely a men's market, as Lipsey reports 74% of the regular players last year were men. But it's a slight age shift that has marketers wetting their lips. Signs are that it isn't just the getting-on segment that's

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teeing off; the sport is gaining acceptability among ranks of younger men who previously shunned the sport. Last year, those 18-34 accounted for 42% of regular players, Lipsey notes.

The sport can bring big tickets beyond the budgets of its players. Public greens fees can top $15; balls — which every hacker knows are all too easy to lose — typically retail for more than $1 each; clubs average several hundred dollars a set, private club memberships several thousand to start. Yet according to Lipsey, only 47% of regular players have household incomes of over $35,000 a year.

Golf leader **Acushnet Co.** claims its flagship Titleist, the number-one golf ball since 1949, currently flies and rolls for 75% of the players on the pro tour. But not because they're paid to play it. John Hoagland, director of marketing/balls and putters at Acushnet Co., shuns sponsoring pros and tournaments or hiring players as spokesmen, opting instead for product-oriented tv spots and print ads.

Both 30- and 60-second spots on network tv tournament telecasts, along with schedules in *Golf* and *Golf Digest*, court the heavy golfer who plays more than 24 rounds a year. Limited ads in *USA Today*, *Sports Illustrated* and other horizontal vehicles woo the less frequent golfer who is the product's second target. Themed "The number one ball in golf," the message is consistent quality. Meanwhile, ads run in *Golf* and *Golf Digest* for Acushnet's Titleist clubs ("Tools for the art of golf"), Pinnacle clubs ("Get it all") and Pinnacle balls ("The distance and durability sensation"). According to LNA, the total cost Acushnet $5.64 million last year in ad expenditures.

The challenge in golf is to bring in a younger breed of players.

Ultra. It'll change the way you play.

Old pros deliver Wilson's distance message for Ultra.

Distance is the message behind restructured **Wilson Sporting Goods Co.**'s drive to re-establish itself in the upper echelons of golf. Its first ads in a year broke in January for a new bright-colored, long-playing ball called Ultra, which has been winning three out of four field tests for distance against other balls. Although "It'll change the way you play" speaks to all ages, the most-popular tv spots portray middle-aged golfers.

Since Lumley firmly believes tv sells balls and clubs, a big chunk of the more than $2 million he says Wilson is spending pours into 15- and 30-second spots on televised pro tournaments week after week. Golf nuts are reached in print through *Golf*, *Golf Digest*, *Golf Illustrated*, and regional books like *Florida Golf Week*. The upper crust clients of teaching pros are reached through *The Golf Club* and *Executive Golfer*, while fans see ads in *Golf World*. More than $2 million is more than last year, according to LNA records, which put Wilson's golf spending at $1.8 million.

According to LNA, **Spalding & Evenflo Co.** led the field in golf media spending last year, putting $5.8 million behind its Top-Flite golf balls and Spalding and Cannon brand clubs. Minstar Inc., maker of the AMF Ben Hogan line of balls and clubs, spent $2.7 million, according to LNA.

CAMPING EQUIPMENT

NPD's Lipsey divides camping into two types. The first, backpacking,

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Coleman and Kelty stage a study in contrast — macho vs. subtlety — in different outdoor books.

draws a slightly younger following, 60% aged 18-34, some 31% of whom have household incomes of more than $35,000. Overnight campers who hike during the day, Lipsey reports, are ages 18-34 (44%) but have slightly more spending power — 35% have household incomes over $35,000.

But there's little glow to the camping advertising market. Buyers tend to simply "look for a purchase within a price range," says LinDea Gregory, advertising and sales promotion manager at American Home Products Corp., maker of the Wenzel and Kelty lines. Price-driven buyers are one justification for low spending. While LNA reports that brand leader Coleman Co. topped the $1 million mark in 1985, no competitor approached that budget. The practice itself has a price. "Except for the Coleman name, at the mass retail level, there's no brand recognition," admits Gregory.

Coleman Co. put $1.2 million behind ad efforts — under the trademark tagline "We outfit your outdoors" — to project its image of breadth and quality last year, according to LNA. Indeed, assistant advertising manager Marian Kline attests the company markets so many products — from propane heaters to lanterns to frame packs— that it's tough to pick out products to promote.

But cost has Coleman cutting out tv this year in favor of increased direct mail, Kline reports. Print ads created by Sullivan Higdon & Sink Inc. — which was replaced this January by Barkley & Evergreen Advertising, Inc. — continue to run in a wide range of outdoorsy books. The schedule stretches from *Canoe* to such regional camping annuals as *New Jersey Campground Directory*.

American Home Products Corp., whose popular Wenzel and specialty Kelty lines rank it second in trade watchers' eyes, lacks the budget to compete for brand image. Against the entrenched Coleman line, says LinDea Gregory, "a consumer ad campaign for recognition would require millions over a long haul." Instead, she reports, the company puts its $550,000 ad/promotion budget mostly into sales promotions and rebates — $8 and $10 off on Wenzel tents, for example, which retailers can advertise without co-op aid. Ads do run for the higher-quality,

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*1984 Survey of Buying Power Data Service
**ABC Publisher's Statement, March 31, 1985

The Charlotte Observer

specialty-distributed Kelty line, however. The schedule runs in *Backpacker, Outside, Sierra* and *Women's Sports and Fitness*.

DOWNHILL SKIS

"You're talking about an industry that lives and dies on what happens in the sky," says Michael Solow, senior writer at Durfee & Solow, agency for Rossignol Ski Co. "Acts of God are beyond the realm of marketing."

A decade of substantial growth ended with poor snow and a recession (late 1970's-early 1980's). The industry took a spill, Solow notes, and participation has since flattened out, at least partly due to a rise in lift-ticket prices caused by skyrocketing liability insurance rates. Currently, 9.5 million Americans — 57% of them male, 55% ages 18 to 34 — ski downhill, according to NPD Group's Dick Lipsey.

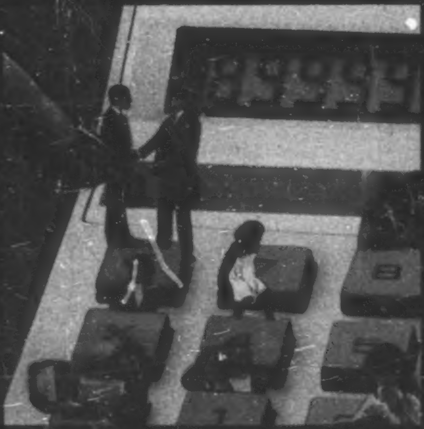
Now companies eye a burgeoning trend toward family involvement: older couples with the wherewithal to introduce their young kids to the expensive sport. And to start kids down the slopes, Ski Industries America now runs Invitation to Skiing, a co-op effort funded by ski shops and resorts, that offers rental equipment and beginner lessons at bargain prices.

Rossignol hopes to move into consumer magazine placements.

Rossignol Ski Co., the leader according to *Sportstyle* with a share of market agency writer Solow estimates nears 25%, is now pushing a new Quantum line of recreational skis. Not only is the traditional frontrunner in innovations departing from its racing orientation, it may rewrite its media schedule as well. Finances permitting, the company will broaden its time-honored media buys of *Ski, Skiing* and *Powder* with space in *The Wall Street Journal* and local Sunday magazines in snow-country markets where Rossignol distribution runs high. According to LNA, Rossignol spent $150,800 on media last year— a figure Solow says is "way low."

K2 Corp., the category's second runner according to *Sportstyle*, is following the leader in pitching recreational skiers. A few years ago, with twin idols Phil and Steve Mahre under contract, K2 ads talked to the racer. Those stars are still spokesmen, but a new campaign aimed at recreational skiers breaks in June in *Ski, Skiing, Powder* and possibly other vertical books. With 16 models — from $350 racing skis to $125 junior skis — in its lineup, K2 also sponsors amateur ski races across the country.

Olin Corp., ranked third according to *Sportstyle*, spent $130,500 on media last year, according to LNA. ■



The same thing that makes America great makes your job difficult. Choice. And with choice comes change and innovation. Technology and changes in the way we live has brought about the proliferation of broadcast media options. Where once there was just radio, now there are radio formats, which target audiences and complicates your choices. Where once there was just television, now there are affiliated stations, independent stations, cable, DBS, VCR's, remote control and satellites, bringing scores of channels and hundreds of new choices. All of these changes and the escalating cost of media has made advertising decisions extremely complex. How do we know? We've been measuring broadcast audiences longer than anyone. Helping with the tough questions. Searching everyday for new answers. Arbitron. We know the territory.

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POINT/COUNTERPOINT/

A MATTER OF HOURS

THE PART-TIME PROBLEM

Recently I was having lunch in the office of a woman friend who heads an account group at a large advertising agency. It was about 2 p.m. when a young account executive stuck her head in the door, announced she was leaving for the day and departed.

"Susan (not her real name) is working a 9:00-to-2:00 day until her baby is older," my friend explained. "I'm a woman, so I'd like to be sympathetic. But I'm also a manager, and it means that a lot of us are working late every night to take up the slack. Frankly, I'm fed up. I think my top management has made a mistake in encouraging part-time mothers."

It's a backlash that is increasing, and it's a backlash coming more from women than from men. We watch new mothers return to the work force (and statistics say over 60% of managers and non-managers alike take just five to eight weeks off after giving birth), struggle with problems of fatigue, the baby-sitter who doesn't show up and end up asking for a part-time schedule.

Does it work? Not in the advertising business, or at least most areas of it. I'm not talking only about senior people, either. If a junior copywriter is important to an account, what happens if the client can't meet until 5 p.m. and she's gone home two hours earlier?

I don't believe that a woman who wants to be successful in our business can give it less than top priority. That's what I've done; put career first, husband second, children third. My marriage is terrific. So are our daughters.

I encourage women in advertising to stay home with their babies as long as they want to. Once they come back to their offices though, come back dedicated to *full time*.

Another eternal question that affects both sexes is upon us again: summer Fridays. Some advertising agencies close every Friday during July and August. I envy them, and wonder how they can do it unless their clients are closed too.

Some agencies close at 1:00 p.m. every Friday; some give staffers alternate Fridays off. At Muller Jordan Weiss, we've found a schedule that suits us and, more important, suits our clients.

For most of the agency, summer Friday hours are 9 a.m. to 1 p.m. However, for service departments who can never count on leaving early, we go the alternate Friday route. But if you're on duty for a full day on Friday, don't plan on the 4:12 to Westhampton. You're on until 5 p.m. Or 6 p.m. Or whatever hour it takes.

Like most things in our business, it's a matter of commitment.

Jane Maas is President of Muller Jordan Weiss, a New York-based advertising agency with offices in St. Louis and Toronto.

OUR READERS TELL US . . .

Summertime, and the living is easy . . . or is it? As we head into the dog days, some companies are slowing down and giving their employees a breather from the usual hectic pace. How much of this is the exception and how much the norm? Research USA, Inc., Chicago, went to policy-setters among our readers to find out.

1) For what type of company do you work?

Advertising agency	51.2%
Consumer goods/service marketer	48.8%

Base: 168

2) Does your employer make an issue of personnel starting their workday by a set hour?

	Agency	Advertiser	Total
Yes	75.6%	62.2%	69%
No	24.4	37.8	31.0
	100%	100%	100%
Base	(86)	(82)	(168)

3) If yes, will a worker's career suffer if he or she works under another schedule?

	Agency	Advertiser	Total
Yes	61.6%	80.4%	69.8%
No	33.8	19.6	27.6
No answer	4.6	—	2.6
	100%	100%	100%
Base	(65)	(51)	(116)

Would you prefer to work under a "flex time" arrangement that allows you to set your own hours?

	Agency	Advertiser	Total
Yes	70.8%	66.7%	69.0%
No	29.2	33.3	31.0
	100%	100%	100%
Base	(65)	(51)	(116)

HAVE A LITTLE FAITH

Most of what the advertising business turns out today — in every department — is junk. And it will only get better if the people who do the work want to make it better.

Our philosophy is to run the best advertising agency in New York. The best people, in *every* department. The best clients. The best work.

A lofty and tough objective. At the heart of this goal is the people. Not only technically good people, but people who are hard-working, ambitious, self-starting and personally decent.

We believe that if we can attract this kind of person to our agency, we will be successful. And, because of who they are, they won't need to be beaten, needled or frightened into performing. They want to perform, to succeed.

We *are* a business. We *do* have rules. And we *do* keep tabs. (We maintain one of the most sophisticated cost accounting systems in the business today, in fact.)

But the application of our rules and regulations is as important as the rules and regulations themselves. Rigidity is for children and soldiers and, perhaps, creative people whom you don't altogether trust. It's not for smart, highly motivated, professional adults.

So . . . do our people put in a full 40-hour week? No, in fact all our people put in *more* than a 40-hour week. Why? Not because they're told to, I assure you. They do it because of who they are and what they are, and what they're trying to accomplish: the best work in New York.

How does our philosophy affect the bottom line? We've grown at an average annual rate of 30% for 11 years. Since 1983 alone our billings have gone from $58 million to about $140 million. And the quality of our work is second to none.

To us, all of this proves that, in an idea business, you can't legislate quality.

Edward H. Hick is President and Chief Operating Officer of Ammirati & Puris Inc.

4) Whether you currently work under flex time or not, please indicate if you believe each of the following statements about flex time are true or false.

AGENCIES	True	False	No answer
It increases productivity	62.8%	36.0%	1.2%
It is disruptive of office routine	55.8	41.9	2.3
It leads to happier employees	87.2	12.8	—
It leads to morale problems	26.5	72.2	2.3
Employees are honest in meeting their hourly quotas	74.4	22.1	3.5
Employees take advantage of the system	39.5	57.0	3.5

Base: 86

ADVERTISERS	True	False	No answer
It increases productivity	64.6%	31.7%	3.7%
It is disruptive of office routine	47.6	48.7	3.7
It leads to happier employees	85.4	12.2	2.4
It leads to morale problems	13.4	80.5	6.1
Employees are honest in meeting their hourly quotas	79.2	17.1	3.7
Employees take advantage of the system	18.3	74.4	7.3

Base: 82

5) In the summer, does your office close early or close on Fridays?

	Agency	Advertiser	Total
Yes	34.9%	18.3%	26.8%
No	65.1	81.7	73.2
	100%	100%	100%
Base:	(86)	(82)	(168)

6) If yes,

FOR AGENCIES: Do you think clients are frustrated by your shortened hours?

Yes	30%
No	70
	100%

Base: 30

FOR ADVERTISERS: Do you resent it when your agency closes early?

Yes	26.7%
No	73.3
	100%

Base: 15

7) How many hours do you usually work in a week?

	Agency	Advertiser	Total
30	1.2%	—%	0.6%
35	7.0	1.2	4.2
40	17.4	12.2	14.9
45	30.2	13.4	22.0
50	23.3	42.7	32.7
55	7.0	11.0	8.9
60	11.6	11.0	11.3
65	2.3	2.4	2.4
70	—	1.2	0.6
No answer	—	4.9	2.4
	100%	100%	100%
Median	45 hours	50 hours	50 hours
Base:	(86)	(82)	(168)

ECONOMIC EYE

THE BIZ PUBLISHING BIZ

Like one year, like another, is how James B. Kobak, chief executive of James B. Kobak & Co., frames a mildly optimistic outlook for trade books. "I don't see any great change in the trend from the past few years," he says. "I expect pages will move up 1% or 2% or so, and ad rates will go up 5% or 6%."

Kobak is also quick to point out that predictions, like trade books themselves, vary by industry. The fragmentation that marks the business challenges overall predictions, he notes, since "you see oil dying and who knows what's going on in the computer business."

Nevertheless, he offers some insights. "The service industries are the places where the growth will come. The financial area, for one, will be very strong," he says. "The beauty parlor business is hot. I expect housing to bounce back. Even machine tools are doing a little better in this disastrous era." The signs he reads are bleaker, though, for books covering automobiles, computers and oil.

He sees no signs that the current acquisition wave will stop. "You'll keep seeing big companies buying up business books, and you'll keep seeing big companies get rid of the little guys who don't bring in a profit."

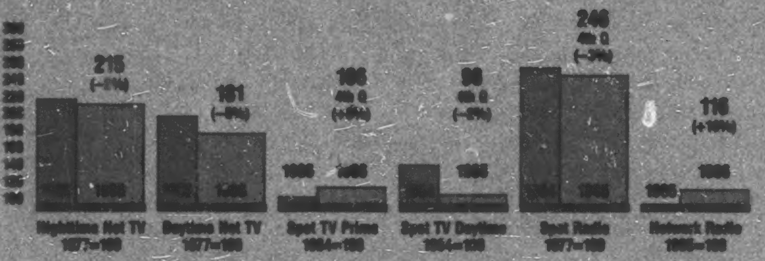
Kobak looks for more books in troubled industries to refocus and more beleaguered publishers to consolidate. And then there will be more shakeouts as industries contract. "It'll happen in the computer industry; it already has," he says. "Business papers will have to adapt to what's going on in their industries."

But any pending group plans don't strike him as the answer. "I don't think they work very well," he says. "Ziff-Davis and Petersen had group plans for years, and they hardly made a dent in the overall sales." *Fred Pfaff*

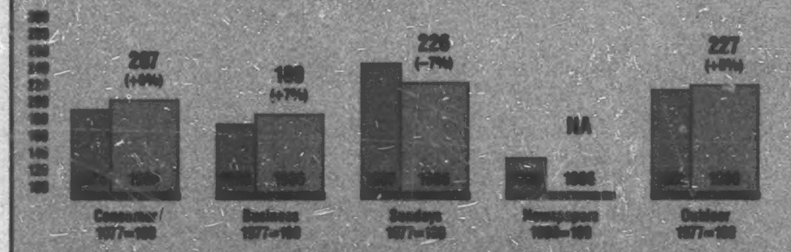
MAGAZINE AD SCORECARD	Ad Pages Apr. 1986	% change from Apr. 1985	Dollars spent (000)	% change from Apr. 1985
1. Skin care, Creams, Lotions and Oils	159.42	−1.0%	$ 4,883.3	+20.2%
2. Lip and Eye Beauty Products	96.93	−37.9	3,581.3	−29.7
3. Scents and Fragrances	210.71	+6.3	5,255.7	+15.2
4. Facial Makeup Products	72.89	+26.7	2,611.2	+12.3
5. All other prepared dinners and entrees	28.57	−50.8	1,848.4	−46.1
6. Liquor	341.95	−13.3	13,744.2	−19.5
7. Cigarettes	774.91	+25.8	39,456.2	+20.3
8. Soaps and Detergents	47.81	+62.0	3,200.5	+60.6
9. Passenger Cars, Domestic	402.73	−18.7	20,236.7	−1.7
10. Passenger Cars, Imported	446.57	−4.2	19,846.7	−1.4

Source: Publishers Information Bureau as prepared by Leading National Advertisers

BROADCAST COST INDEX / FEBRUARY



PRINT COST INDEX / FEBRUARY



Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national editions.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 786 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year. Percent change shows rate of change from the same month in previous year.

*YH=Yearly index high **YL=Yearly index low ***AVI=Average 1985 index

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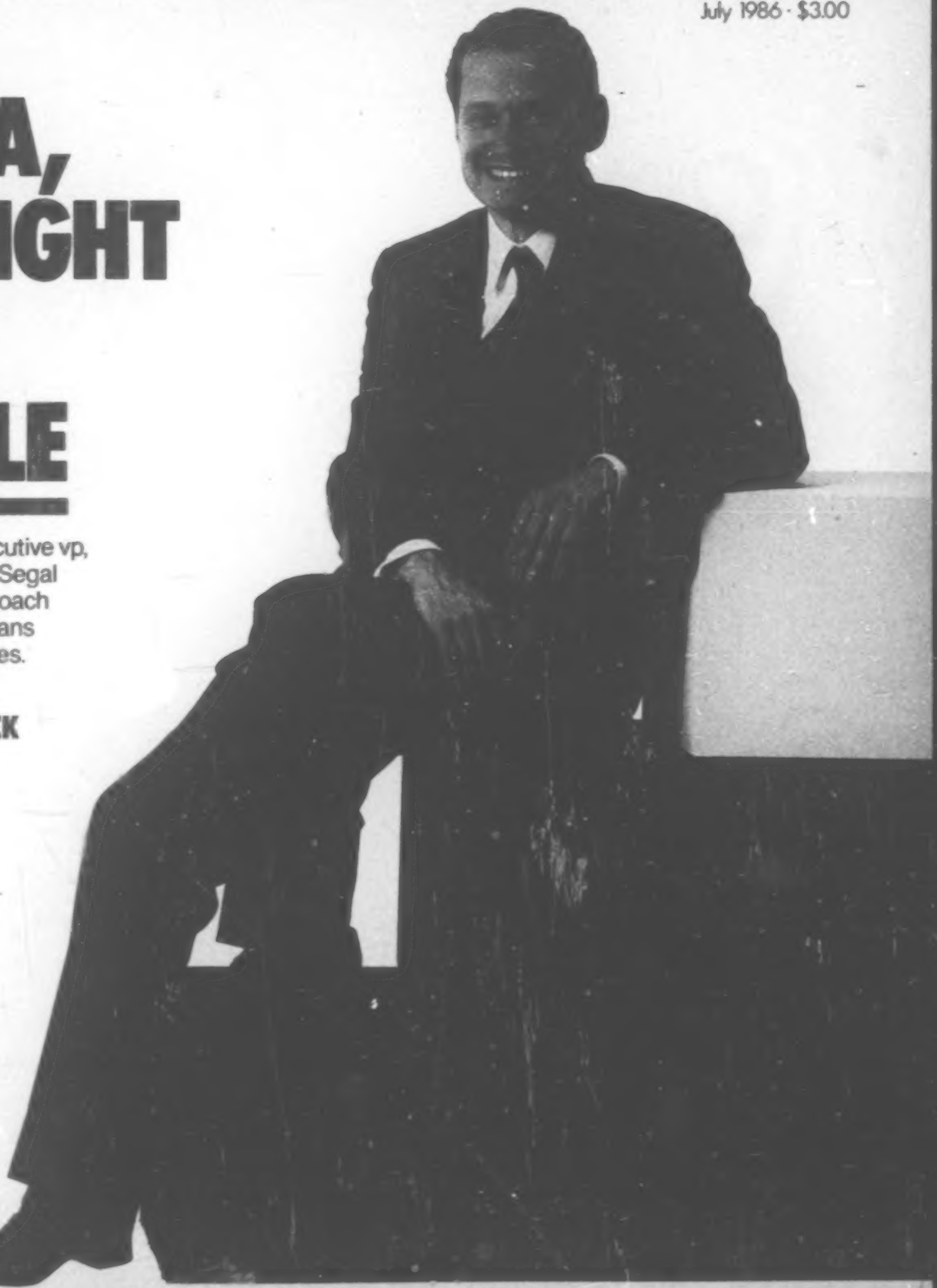
THE TOP 200 BRANDS OF 1985

July 1986 · $3.00

MEDIA, STRAIGHT AND SIMPLE

Lowe Marschalk executive vp, media director Steve Segal has a three-step approach for marrying media plans to marketing objectives.



MERGER FEEDBACK

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BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

COVER STORY

THE WORLD'S MOST UNPRETENTIOUS MEDIA DEPARTMENT 44

Media director Steve Segal chooses to leave the flash to his colleagues in Lowe Marschalk's creative department. Segal prefers to quietly pursue the best possible media plans to match the clients' marketing objectives.

FEATURES

OPINIONS, PLEASE! 34

Decisions takes to the street to conduct a wide-ranging series of interviews on the current spate of agency mergers. What do they mean? Who do they benefit? And what impact will they have, if any, on media planning and buying?

SPECIAL REPORT: THE TOP 200 BRANDS 53

This year, our Top 200 Directory supplies detailed media breakouts of ad dollars for each of the top-spending products and services of 1985 (beginning on page 60). An alphabetical index guides you to those that made the grade (page 55). We haven't forgotten the brand families, however. Included in this special annual section is a ranking of the top ten advertising categories along with the top five brand families in each, again broken out by media (page 56).

AMERICAN MOTORS STEPS ON THE GAS 125

Its best efforts to date haven't been enough to pull the AMC/Renault alliance into the passing lane. Now they're taking chances with new models and new strategies to put some pep in their performance.

MARKETMAP: DALLAS 132

Though the *Morning News* is winning the circulation contest in Dallas, it splits coverage of this area so cleanly with the *Times-Herald* that both newspapers still hold planners' attention — at least, for the moment. This profile of the market looks toward its future as the Southwest goes through a bit of belt tightening.

DEPARTMENTS

PRO FILES 4

SSC&B:Lintas has itself a "renaissance researcher" in Florence Friedman. At J. Walter Thompson, creative whiz James Patterson demonstrates you can do two things at once by penning a hot suspense novel in between campaigns.

CREATIVE CONCEPTS 10

Unlike the rose, a product or service by any other name can suffer the consequences if it isn't the *right* name.

UPDATE 12

William Claggett, late of Ralston Purina, previews his new business venture. British Airways acts to counter its drop-off in American flyers.

PRINT BEAT 17

A cross-marketing contract has ESPN promoting Prestige Publications' Magazine for the America's Cup.

LETTERS 20

A response to our March story on financial public relations in England, plus some compliments and some clarifications.

DIRECT MARKETING 22

American Express gives couponing a new twist via Val-Pak, while a General Mills unit decides good things come from small agencies.

DEBUT 26

The latest from MTV and Nickelodeon, including an animated series based on the writings of Charles Dickens. In the publishing community, two publishing ventures find potential in the uproarious and the uprooted.

FREEZE FRAME 30

Media strategy played as important a part as creative in deciding this year's best cable campaigns. Also, the "People's Choice" was apparently "no" as this pay-per-view effort ends.

ECONOMIC EYE 157

LNA flash figures for magazines; our Media Cost Index; and insights into the media dollar value of the rededication of the Statue of Liberty.

BROADCAST BEAT 159

Advertisers and their agencies were pleasantly surprised as Rupert Mur-

July 1986, Vol. 21, No. 8

Cover photo by Richard Flynn

doch laid out his plans for Fox Broadcasting and tv's fourth network.

ON THE DOCKET 163

Direct marketers are beginning to plan a course of action to meet the threat of a complex web of use taxes.

TOOLS OF THE TRADE 166

Lee Weinblatt is toying with two high tech measurement devices that offer detailed media use information. Like any new idea, however, they have their problems.

SALES PROMOTION: SPECIAL ANNUAL REPORT 170

In this four-page feature, Russ Bowman gives a detailed overview of sales promotion investments in 1985, including how this spending compared with other media placements.

THE LAST WORD 176

Victor Buell, Professor of Marketing Emeritus at the University of Massachusetts, sizes up the explosion of marketing in the 1980's.

AS THEY SEE IT

MEDIOLOGY *Jack Irving* 141

No, the phrase "creative media" need not be an oxymoron.

RADIO *Hugh O'Brien* 142

The pictureless broadcast medium has learned to play its strengths, resulting in a new wave of interest from advertisers.

NEWSPAPERS *Lori Greenberg* 144

The medium's role as the public's daily mirror demands that it keep tuned to changes in values and attitudes to build and maintain readership.

PLANNING *Stephen P. Phelps* 148

There's more to planning than crunching numbers. Consider the qualitative angle.

MAGAZINES *Donna Campanella* 151

Despite the variety of media now being used to reach the ad professional, the ad trade press remain the most effective.

RESEARCH *Meryl Hammond* 154

How much research is enough, or effective? While useful, findings from focus groups should be kept in proper perspective.

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help Stroh to develop its business globally."

William Kalan, *director of advertising services for Gillette International:* "Gillette has been trying to consolidate its agencies worldwide. But at the same time it has been very careful about not destroying good relationships. I wouldn't [shrink the business] to one agency merely for the sake of putting together a neater organizational chart."

Alan Pottasch *(Pepsi):* "From our point of view it's a question of picking the best agency you can wherever you're doing business. The heck with being able to say we've got one agency worldwide. We're dealing with 44 different languages and dialects in over 140 countries, with over 15 different religions. What is the value of universality in management? Not much."

MMD: What effect could agency get-togethers have on their creative departments as well as the creativity of their media buying departments?

Len Sirowitz *(Rosenfeld, Sirowitz & Humphrey):* "It's going to affect creativity because it will reduce the incentive for young, creative people. Before, they may have been close to the top, but because of the mergers, they may find that they are farther away."

Allen Rosenshine *(BBDO):* "Our merger is not predicated on improving creativity. The creative person who has neared the top rung and now has to compete with people from other agencies at the same level because of a merger shouldn't worry. What the creative type wants today is equity and stability. A bigger company offers more job security."

Jay Chiat *(Chiat/Day):* "Creativity is not a victim of all this. The advertising that is coming out of these agencies is not that creative anyhow. But I don't think it's going to get any worse. Size doesn't hurt creativity."

MMD: Why are agencies merging with such fury now? Is the ad industry imitating the merger/acquisition frenzy seen in corporate America?

Alan Gottesman *(L.F. Rothschild):* "No, I don't think they're [following other industries'] example. What corporate America was doing — even the media companies — was closing the gap between the private market values and what shareholders in the public market were getting for these things. With ad agencies, the spread between the private values and public values has been different. The private market values have been less."

Jay Chiat *(Chiat/Day):* "The goal is individual wealth. These networks are not that well thought out. The Saatchis started this thing by thinking that it was neat to be big. Most of the other agencies are just being reactive."

Hal Katz *(Vitt Media):* "They're doing it for money, for personal gain. There's nothing else to it. If the Saatchis came to you and said 'We'll give you $100 million for your agency,' what would you do?"

Mowery

Kalan

Rosenshine

Decker

Norm Goldring *(CPM Inc.):* "Why now? It's partly financial — it's how people at the top cash in these days.

"But it leaves disincentives to perform well either way: You either get fat or you get screwed. While the marketplace is begging to be addressed, people are looking at the business aspect of advertising instead of at clients' businesses. It's funny, all these years I always thought agency people didn't know anything about running a business, but now all of a sudden they have become mavens."

Herb Baum *(Campbell Soup):* "It was panic in the streets when they saw Saatchi trying to buy up people. Others figured they'd better get into it because it was eat or be eaten."

Alan Pottasch *(Pepsi):* "I can't really understand it. 'Why?' was the first question I asked when I heard about it . . . 'Why?' And I really haven't heard any terrific answers, except eat or get eaten." ■

OUR READERS TELL US . . .

Research USA, Chicago, contacted a sampling of our readers at both agencies and clients to uncover their thoughts on mergers.

1.) Do you expect your agency to merge within the year? (Base = 149)

Yes 4.7%, No 63.1%, Has Already 30.2%, no answer 2.0%

2.) Do you feel the "urge to merge" in the advertising field will continue as strongly over the next 12 months as it has over the past 12 months?

Yes 43.6% 54.4% No
no answer 2.0%

3.) To what extent do you agree or disagree with the following statements?

"Media departments in the new 'mega-agencies' will have more buying leverage than departments in smaller agencies."

Strongly agree	25.5%
Agree somewhat	39.6%
Neutral	12.8%
Somewhat disagree	15.4%
Strongly disagree	6.0%
No answer	.7%

"The bigger my agency gets, the better able it will be to serve its clients."

Strongly agree	4.0%
Agree somewhat	16.1%
Neutral	25.5%
Somewhat disagree	41.0%
Strongly disagree	13.4%

4. Will the creation of mega-agencies lead to more clients moving their media planning and buying in-house?

Yes 41.6% 57.1% No
1.3% no answer

J&J's Medipren, does not include network buying either. Instead, behemoth Young & Rubicam gets the honors.

But both Lesser and Segal hope that the new setup will steadily attract more clients, and as more clients join the ranks, the agency's network billings will rise. That naturally would also increase the overall profitability of the agency as it begins to collect hefty network commissions.

Lesser's belief is that L-M is well positioned to offer clients top-drawer service, an advantage he feels will become even more valued in this era of agency megamergers. "I maintain that those mega-structures will be so starved of capable people to lead them that there might be a lot of disappointments," Lesser asserts.

Certainly, Lowe Marschalk strives for a service-oriented atmosphere. Throughout the entire agency, management preaches a credo of providing an integrated approach of research, creative, marketing and media." Our culture is much more open. Clients have a relationship with the account people, but also have direct relationships with the media people and creatives," tells John Oliver, a senior vice president and account executive. Oliver, a 21-year veteran of the agency and at one time the agency's media director, is fond of tartly reminding that "marketing and media should have more in common than the fact that they start with the same letter."

The culture also dictates to go the extra mile for the client. Even stern task master Bill Lynn acknowledges that L-M goes beyond the call of duty. For example, the agency prepared an in-depth study of the youth market, a piece of research that all Coca-Cola brands will use.

"I would guess that Marschalk over the last two or three years has taken a little more initiative than some of our other agencies," Lynn notes. But he adds, "remember that SSC&B and McCann deal with brand Coca-Cola problems which makes life a little more short term for them. The future means next week to them," he laughs. "Still, the easiest thing for Marschalk would have been for them to simply sit back, and they have not," he emphasizes.

Quite the opposite. Though their personalities may be radically different, both Lesser and Segal share one unquenchable trait: to grow, grow and grow. Lesser, described by agency personnel as casual on the surface but a very picky and demanding boss, envisions that one day his agency will be a billion dollar empire. He is equally sure that Lowe Marschalk's new setup will let it more than hold its own against the Big 10 agencies.

"They are caught up in their own infrastructures, and there are a lot of people in those agencies who sit around with big titles and big offices and make pronouncements," scorns Lesser. "We don't have that kind of mentality here. We have a working mentality. Our people, including media, have stripped the business of all of that pomp. That's our secret." ■

Media's Tatnell (right) works closely with account executive Oliver.

MARKETING & MEDIA DECISIONS

THE TOP 200 BRANDS

PRODUCTS & SERVICES

The 15th annual directory of brands
ranked by media expenditures

FROM THE TOP

This year's Top 200 Brands Directory, which is celebrating its fifteenth anniversary, is the most exact breakdown ever reported by this magazine. In the following pages, we report the top ten advertising categories for 1985 (as defined by Leading National Advertisers), plus the top five brand-name spenders in each of these categories. Then, the body of this year's report goes one step further. Rather than follow the procedures of the past, when many divergent products were gathered collectively under the parent brand's name, we have isolated individual products and services to tell the story of exactly who spent what and where in the battle for consumer attention.

For example, rather than totaling spending for all Coca-Cola soft drinks under the Coca-Cola name, you will find individual entries for flagship Coca-Cola and Diet Coke. Chevrolet's spending is segmented into the dollars supporting the most advertised separate models or dealer units. And instead of combining spending for all Marlboro cigarettes — regular, menthol, 100's, 25-packs, Lights — each type makes its bid for inclusion in this ranking based on its individual spending.

Because of the way this report was organized, new products or campaigns may not have comparable 1984 figures. For example, Apple II Computer Systems qualified this year with an umbrella campaign for all Apple II models. Leading National Advertisers, however, has nothing to compare this overall approach to in 1984.

For each entry, we report ad expenditures in eight media — network tv, spot tv, cable tv networks, newspapers, consumer magazines, national Sunday magazines, network radio and outdoor — and the key media decision-makers at its immediate parent company and its agency or agencies. Spot radio has been excluded from this year's report.

In the majority of cases, we were able to match the data from the contributing measurement services — Leading National Advertisers (LNA), Publishers Information Bureau (PIB), Broadcast Advertisers Reports (BAR), Media Records, Inc., the Institute of Outdoor Advertising and our own *Decisions* estimates. In a few cases, determining spending for such specific entries required adjusting data to make sure we had an apples-to-apples comparison. Therefore, when Media Records reported an overall total for Nissan vs. LNA's breakouts by models, we determined each model's share of overall Nissan spending as reported by LNA, and then applied this percentage to the Media Records total to arrive at a newspaper estimate.

It should also be noted that due to the specific nature of our ranking, joint ads promoting two or more different products are presented separately from the solo product reports. Therefore, Marlboro's ad campaign to introduce its 25-cigarette packs, which featured both regular Marlboros and Marlboro Lights, qualifies as a separate entry from either Marlboros or Marlboro Lights.

The result of these efforts is the most detailed report of its kind, giving the full scorecard on the heaviest spending individual branded products or services. Following is an alphabetical index to those that qualified, and all you need to know about these big spenders: product or service, parent company, dollars invested by medium, total ad dollars, marketing and brand management team at the parent and personnel at the principal agencies representing the brand.

A warm thanks to all involved.

ALPHABETICAL INDEX TO THE TOP 200

	Rank
ABC TV Network	23
ADA Cheese Promotion	45
ADA Milk Promotion	37
AT&T Corporate	28
AT&T Information Systems	56
AT&T Residential Long Distance	3
AT&T Business Long Distance	16
AT&T International Long Distance	60
AT&T Personal Computers	171
AT&T Telephones	102
Advil	41
Alka-Seltzer	145
Always	141
American Airlines Passenger Service	13
American Express Credit Card Services	15
American Family Mail Order Promotions	61
Amtrak	112
Anacin Reg Tablets & Capsules	115
Apple II	128
Aqua-Fresh	82
Arby's	189
Audi 5000	157
B	
Bartles & Jaymes	182
Benson & Hedges Filter and Menthol Lights 100s	54
Blue Cross & Blue Shield Plans	172
Budweiser	7
Bud Light	21
Buick Dealers Associations	105
Burger King	2
Busch	107
C	
CBS TV Network	44
Camay	190
Camel Filters	100
Campbell's Canned Soups	51
Canon Copiers	96
Century 21	134
Cheer	188
Cheerios	197
Chevrolet Astro Van	160
Chevrolet Cavalier	101
Chevrolet Celebrity	161
Chevrolet Dealers Associations	57
Chevrolet Local Dealers	5
Chevrolet Passenger Cars	136
Chrysler Lebaron	80
Citibank Consumer Services	124
Coca-Cola	17
Coleco Toys	93
Colgate Regular & Gel Toothpaste	64
Columbia Record & Tape Club	39
Coors	43
Coors Light	150
Cover Girl	195
Crest Tartar Control	106
Crisco Shortening	147
Crystal Light	166
D	
De Beers	94
Delta Passenger Service	25
Denny's	104
Dexatrim	178
Diet Coke	50
Diet Pepsi	53
Dodge Lancer	95
Dodge Local Dealers	75
Dodge Trucks	110
Domino's	159
Doritos	191
Downy	92
Duncan Hines Cookies (RTE)	111
Duracell	117
E	
Eastern Passenger Service	27
Era Plus	174
Eveready Energizer	85
Excedrin Extra-Strength Capsules & Tablets	194
F	
FTDA	169
Federal Express Air Cargo	66
Firestone Auto Centers	167
Ford Corporate	36
Ford Aerostar Mini Van	135
Ford Dealers Associations	42
Ford Escort	55
Ford Local Dealers	6
Ford Passenger Cars	153
Ford Ranger Compact Trucks	149
Ford Tempo	59
Ford Thunderbird	47
Franklin Mint Collections	132
G	
GTE Corporate	98
GTE Sprint	19
General Motors Corporate	119
Goodyear Car Tires	127
H	
Hallmark Cards	180
Hardee's	48
Hasbro Toys	12
Head & Shoulders Shampoo	193
Heineken	173
Hershey's Candy Bars	156
Hilton Hotels	185
Honda Accord	81
I	
IBM Corporate	87
IBM Personal Computers	18
Ivory Shampoo & Conditioner	179
Ivory Soap	164
K	
K mart Miscellaneous	90
Kentucky Fried Chicken	8
Kleenex Huggies	72
Kodak Film	71
Kraft Miracle Whip	163
Kraft Velveeta	138
Kroger	89
L	
LA Beer	184
L'eggs	139
Listerine	198
Long John Silver's	77
Lowenbrau	176
Luvs	123
M	
M&Ms	98
MCI Consumer Long Distance	76
Marlboro	69
Marlboro & Marlboro Light 25s	62
MasterCard Credit Card Serv	142
Mattel Dolls	113
Mattel Toys	63
Mazda 626	154
Mazda B-2000 Compact Trucks	148
Mazda RX7	192
McDonald's	1
Merrill Lynch Stockbrokers	170
Michelob	35
Michelob Light	88
Midas	33
Miller	11
Miller Lite	9
Milton Bradley Games	155
More Lights 100s & Menthol Lights 100s	130
N	
NBC TV Network	32
Nabisco Cookies	70
National Paragon (Parade) Books	200
Nissan 300 ZX	120
Nissan Compact Trucks	29
Nissan Dealers Associations	20
Now Filter 100s	73
Nuprin	65
Nutrasweet	68
O	
Oil of Olay	119
Oldsmobile Dealers Associations	34
P	
Pampers	158
Penney's Miscellaneous	91
People Magazine	152
Pepsi-Cola	26
Pizza Hut	10
Polaroid Cameras	108
Pontiac Dealers Associations	58
Post Fruit & Fibre	175
Post Grape Nuts	109
R	
Red Lobster	67
Renault Alliance	196
Riunite	129
S	
Safeway	140
Salem Filters	162
Sears Household	31
Sears Miscellaneous	22
Sears Automotive	181
Seven-Up	126
Shell Gasoline	151
Snickers	83
Sprite	114
Sterling Special Blend Filters	86
Stroh's	125
Sunlight Dishwasher Detergent	168
T	
TV Guide	38
TWA Passenger Service	78
Taco Bell	30
Tide Liquid	133
Tide Powder	99
Time Magazine	187
Time-Life Books	131
Tonka	165
Toyota Cars & Trucks	79
Toyota Compact Trucks	116
Toyota Local Dealers	49
Toyota MR2	199
Toyota Trucks	137
Toys "R" Us	186
True Value Stores	24
Tylenol Regular & Extra Strength	84
U	
U.S. Armed Forces	144
U.S. Army	40
U.S. Express Mail	143
United Airlines Passenger Service	14
V	
Vantage Kings	46
Volkswagen Golf	74
Volkswagen Jetta	103
W	
Wendy's	4
Winn-Dixie	146
Winston Filters	52
Wisk	183
Wrigley's Spearmint	122
X	
Xerox Corporate	121
Z	
Zale's Jewelry	177

1985 TOP TEN ADVERTISING CATEGORIES AND THEIR TOP BRAND FAMILIES

	Eight-media total (000)	PIB Magazines (000)	PIB Sunday magazines (000)	BAR Network television (000)	BAR Spot television (000)	BAR network radio (000)	LNA Outdoor (000)	BAR Network cable (000)	MEDIA RECORDS Newspapers (000)
1. Restaurants, hotel dining & nightclubs									
1985	$1,126,744	$ 8,746	$ 668	$421,264	$658,234	$ 220	$ 34,540	$ 3,073	(No data)
1984	958,380	6,264	724	360,324	563,621	304	26,644	(No data)	(No data)
1. McDonald's Corp.									
1985	312,336	874	—	184,882	118,047	195	6,914	1,425	(No data)
1984	259,717	672	—	162,462	91,454	—	5,129	(No data)	(No data)
2. Burger King Corp.									
1985	155,943	10	—	71,096	83,873	1	964	—	(No data)
1984	130,491	320	—	51,316	78,116	—	740	(No data)	(No data)
3. Wendy's restaurants									
1985	86,688	762	—	44,274	39,446	—	1,797	408	(No data)
1984	75,232	13	—	34,688	38,818	—	1,711	(No data)	(No data)
4. Kentucky Fried Chicken Food Service									
1985	76,402	46	—	44,565	30,702	—	720	370	(No data)
1984	63,318	—	—	39,159	23,680	—	479	(No data)	(No data)
5. Pizza Hut restaurants									
1985	64,457	—	—	18,433	44,889	—	739	397	(No data)
1984	58,393	32	—	18,207	39,980	—	174	(No data)	(No data)
2. Passenger cars, domestic									
1985	$ 726,673	$195,707	$ 4,334	$365,555	$ 91,208	$10,156	$ 6,328	$12,085	$ 41,299
1984	702,670	197,289	1,821	375,994	86,463	7,850	5,301	(No data)	27,952
1. Ford									
1985	206,465	63,683	420	107,280	16,797	3,445	1,696	3,782	9,361
1984	172,990	55,956	28	94,639	12,740	701	1,458	(No data)	4,468
2. Chevrolet									
1985	105,104	19,232	1,319	56,153	15,651	800	1,838	1,357	8,752
1984	101,443	18,841	—	73,737	3,037	268	1,338	(No data)	4,211
3. Chrysler									
1995	79,512	23,890	399	34,296	9,377	1,077	1,619	1,476	7,300
1984	53,531	13,277	113	29,229	7,898	1,126	699	(No data)	1,989
4. Dodge									
1985	58,063	17,877	123	24,982	11,092	572	106	2,220	1,093
1984	57,144	16,749	829	26,673	7,478	1,645	571	(No data)	3,199
5. Mercury									
1995	57,624	9,268	731	33,376	10,434	—	76	1,222	2,518
1984	71,073	15,023	—	33,997	20,957	—	288	(No data)	808
3. Cigarettes									
1985	$ 829,281	$368,074	$66,628	—	$ 307	—	$210,774	—	$183,497
1984	884,119	416,323	64,115	—	223	—	183,977	(No data)	219,481
1. Marlboro									
1985	116,291	51,691	5,799	—	—	—	29,737	—	29,064
1984	84,490	39,639	1,291	—	—	—	14,233	(No data)	29,328
2. Winston									
1985	59,561	13,062	6,535	—	—	—	29,212	—	10,843
1984	40,924	15,299	3,803	—	—	—	13,139	(No data)	8,683
3. Virginia Slims									
1985	55,508	26,733	4,310	—	90	—	10,583	—	13,793
1984	30,613	18,245	1,953	—	128	—	6,160	(No data)	4,127
4. Merit									
1985	53,488	43,212	453	—	—	—	7,401	—	2,422
1984	64,210	32,475	5,053	—	—	—	7,873	(No data)	18,809
5. Vantage									
1985	44,258	28,109	2,770	—	—	—	7,827	—	5,550
1984	61,367	35,597	6,609	—	—	—	1,408	(No data)	17,754

	Eight-media total (000)	PIB Magazines (000)	PIB Sunday magazines (000)	BAR Network television (000)	BAR Spot television (000)	BAR network radio (000)	LNA Outdoor (000)	BAR Network cable (000)	MEDIA RECORDS Newspapers (000)
4. Beer									
1985	$ 615,701	$ 36,189	$ 884	$340,106	$174,073	$11,932	$ 12,668	$26,622	$ 13,227
1984	588,473	20,340	427	373,142	159,798	7,584	14,490	(No data)	12,691
1. Miller									
1985	152,706	5,390	—	103,591	19,271	88	921	4,191	1,925
1984	127,248	1,870	—	104,930	18,514	—	657	(No data)	1,279
2. Budweiser									
1985	133,978	3,169	297	74,446	34,341	4,873	2,265	11,471	3,117
1984	131,972	2,953	—	93,421	29,087	2,179	2,123	(No data)	2,246
3. Michelob									
1985	67,144	6,203	31	39,781	13,242	3,990	382	3,176	339
1984	61,330	2,040	—	49,566	6,643	2,017	252	(No data)	812
4. Coors									
1985	58,783	2,068	—	18,076	33,696	—	1,258	1,630	2,055
1984	36,796	7	—	11,218	24,398	—	517	(No data)	657
5. Stroh's									
1985	31,240	1,501	77	22,643	2,995	—	1,047	2,430	547
1984	38,796	1,988	—	27,780	5,936	—	2,642	(No data)	450
5. Car dealers and services (including used cars in LNA-measured media)									
1985	$ 906,449	$ 792	$ 378	—	$571,517	$ 2	$ 29,341	$ 225	$304,194
1984	704,104	926	321	—	445,070	—	21,347	(No data)	236,440
1. Chevrolet									
1985	122,289	—	—	—	83,615	—	4,525	—	34,150
1984	96,259	8	—	—	63,580	—	3,667	(No data)	29,003
2. Ford									
1985	120,192	86	—	—	89,864	—	4,598	—	25,644
1984	98,900	101	—	—	74,608	—	3,287	(No data)	20,904
3. Nissan/Datsun									
1985	59,393	—	—	—	49,165	—	341	—	9,888
1984	40,244	—	—	—	33,041	—	70	(No data)	7,134
4. Oldsmobile									
1985	56,019	57	—	—	40,205	—	1,464	—	14,293
1984	35,355	7	—	—	24,491	—	856	(No data)	12,001
5. Pontiac									
1985	46,545	—	—	—	36,873	—	1,427	—	8,244
1984	35,010	10	—	—	27,118	—	664	(No data)	7,217
6. Passenger cars, imported									
1985	$ 581,725	$175,084	$ 3,030	$210,575	$125,441	$ 4,303	$ 4,387	$ 8,049	$ 50,856
1984	458,556	149,827	2,801	160,258	108,796	3,045	3,531	(No data)	30,299
1. Toyota									
1985	70,002	10,344	31	17,920	35,221	907	1,398	1,165	3,010
1984	52,649	9,950	28	8,669	30,637	54	1,169	(No data)	2,142
2. Honda									
1985	57,317	16,903	285	32,697	1,546	3,154	25	1,767	941
1984	40,557	11,017	327	21,441	3,458	2,647	45	(No data)	1,622
3. Nissan/Datsun									
1985	56,112	12,836	—	18,648	21,358	—	1,032	654	1,585
1984	61,578	11,794	169	30,224	17,400	—	542	(No data)	1,448
4. Volkswagen									
1985	54,836	19,824	337	26,459	5,316	—	307	566	2,027
1984	49,887	18,766	491	20,098	6,031	—	759	(No data)	3,743
5. Mazda									
1985	50,150	16,140	—	27,366	4,337	—	8	1,259	1,040
1984	29,360	13,350	—	12,708	2,982	—	6	(No data)	314
7. Department stores									
1985	$ 520,367	$ 41,407	$ 2,676	$152,054	$296,961	$21,135	$ 2,228	$ 3,906	(No data)
1984	519,313	44,977	4,213	209,845	251,543	7,161	1,574	(No data)	(No data)
1. Sears									
1985	142,461	9,898	105	91,280	21,411	16,700	42	3,026	(No data)
1984	170,024	9,535	497	133,652	19,662	6,670	7	(No data)	(No data)

	Eight-media total (000)	PIB Magazines (000)	PIB Sunday magazines (000)	BAR Network television (000)	BAR Spot television (000)	BAR network radio (000)	LNA Outdoor (000)	BAR Network cable (000)	MEDIA RECORDS Newspapers (000)
2. Penney's									
1985	62,980	3,712	21	44,552	14,184	—	153	358	(No data)
1984	49,404	4,824	—	34,030	10,406	—	145	(No data)	(No data)
3. K mart									
1985	48,446	9,843	—	16,222	17,181	4,435	252	513	(No data)
1984	70,448	14,735	—	42,088	12,906	490	228	(No data)	(No data)
4. Macy's/Bambergers									
1985	18,063	1,324	531	—	16,206	—	2	—	(No data)
1984	15,660	1,191	620	75	13,773	—	—	(No data)	(No data)
5. Wal-Mart									
1985	13,332	—	—	—	13,331	—	1	—	(No data)
1984	10,448	—	—	—	10,448	—	—	(No data)	(No data)
8. Telephone companies, public and private									
1985	$ 658,605	$112,483	$ 4,602	$143,783	$195,441	$19,565	$ 2,204	$ 3,807	$176,720
1984	643,272	87,204	2,900	216,502	144,397	16,191	1,486	(No data)	174,593
1. AT&T									
1985	308,140	67,780	2,929	135,689	29,059	19,565	78	3,475	49,565
1984	338,763	55,327	1,673	201,773	15,931	16,191	4	(No data)	47,865
2. GTE									
1985	77,853	7,701	—	8,041	48,559	—	21	149	13,382
1984	48,455	6,038	—	14,129	16,990	—	—	(No data)	11,299
3. MCI									
1985	33,487	1,685	—	—	30,314	—	—	—	1,488
1984	35,764	623	—	—	31,627	—	21	(No data)	3,491
4. Southwestern Bell									
1985	19,441	2,014	595	—	9,462	—	84	—	7,286
1984	20,057	783	299	—	12,949	—	228	(No data)	5,798
5. South Central Bell									
1985	10,776	4,197	—	—	5,048	—	27	—	1,504
1984	9,787	3,411	—	—	4,720	—	—	(No data)	1,656
9. Cereals									
1985	$ 464,228	$ 22,228	$ 1,219	$288,023	$130,867	$ 2,266	$ 24	$16,360	$ 3,241
1984	370,403	9,765	664	229,741	125,492	615	10	(No data)	4,118
1. Kellogg's									
1985	174,441	57	—	135,691	34,450	—	—	4,125	119
1984	154,018	304	283	119,750	32,440	—	10	(No data)	1,232
2. General Mills									
1985	75,826	2,630	—	24,340	42,736	433	—	5,221	467
1984	58,633	442	—	18,292	38,796	520	—	(No data)	583
3. Post									
1985	73,711	11,130	1,054	38,494	19,066	636	—	2,297	1,035
1984	52,672	4,295	128	26,117	21,103	95	—	(No data)	935
4. Cheerios									
1985	29,614	30	—	11,401	16,222	—	—	1,945	16
1984	23,031	3	—	7,951	15,055	—	—	(No data)	22
5. Wheaties									
1985	14,547	644	—	11,999	1,285	—	24	579	16
1984	9,856	71	—	8,044	1,734	—	—	(No data)	8
10. Miscellaneous retail									
1985	$ 436,155	$ 27,163	$ 2,099	$ 87,692	$262,500	$20,202	$ 30,996	$ 5,504	(No data)
1984	350,507	34,570	3,507	65,928	214,236	14,139	18,127	(No data)	(No data)
1. True Value Stores									
1985	44,233	5,866	—	14,656	13,126	9,049	44	1,492	(No data)
1984	41,275	4,558	—	11,843	14,640	10,201	33	(No data)	(No data)
2. Midas Muffler Shops									
1985	37,584	—	—	17,823	19,667	—	95	—	(No data)
1984	27,733	1,200	—	13,934	12,585	—	14	(No data)	(No data)
3. Firestone Auto Center									
1985	17,783	—	—	17,568	105	7	1	101	(No data)
1984	14,829	2	216	12,153	2,458	—	—	(No data)	(No data)
4. Toys "R" Us									
1985	16,877	2,464	—	3,294	10,781	—	339	—	(No data)
1984	14,094	866	—	—	13,045	—	184	(No data)	(No data)
5. Eckerd Drugs									
1985	16,274	206	—	1,889	13,159	—	8	1,012	(No data)
1984	12,096	14	—	1,656	10,426	—	—	(No data)	(No data)

THE TOP 200

Marketing & Media Decisions' guide to the biggest-spending advertisers of 1985 and the people who placed those dollars.

1. McDONALD'S RESTAURANTS

McDonald's Corp.

	Media investments 1985	Media investments 1984
Magazines	$ 353,000	$ 123,000
Natl. Sun. mags.	—	—
Network tv	184,882,000	162,326,000
Spot tv	117,838,000	91,357,000
Network radio	195,000	—
Outdoor	6,914,000	5,105,000
Network cable	1,425,000	(No data)
Newspapers	(No data)	(No data)
Total	**$311,607,000**	**$258,911,000**

Marketing/brand management:
Sr exec vp mktg, Paul D. Schrage
Sr vp mktg, Peter A. Nelson
Vp natl mktg, David B. Green
Asst vp media, Laurie A. Grace
Asst vp mktg, Emil Teri
Vp adv, Roy Bergold
Agency: Leo Burnett, Chicago
Exec vp media srvcs div, Willard Hadlock
Media dirs: Sally Hunter, Mary Ann Cycyota
Acct dirs: Linda Wolf, Jerry Conner
Black agency: Burrell, Chicago
Vp-mgmt supr, Linda Pharr
Vp-media dir, Nick Howse
Vp-acct dir, Alan Dinwiddie
Acct supr, Renee Neely
Acct execs: Gregory French, Robert Jackson
Media supr, Sherman Davis
Asst acct execs: Larry Calhoun, Gregory Johnson
Hispanic agency: Conill, N.Y.
Vp-acct supr, Charles F. Magee, Jr.
Media dir, Ilia Leon

2. BURGER KING RESTAURANTS

Burger King Corp.

	Media investments 1985	Media investments 1984
Magazines	—	$ 121,000
Natl. Sun. mags.	—	—
Network tv	$ 71,096,000	51,316,000
Spot tv	83,873,000	78,116,000
Network radio	—	—
Outdoor	964,000	738,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$155,933,000**	**$130,291,000**

Marketing/brand management:
Vp mktg, Thomas C. Sawyer
Dir mktg rsrch, Barry Schwartz
Dirs adv & prom: Tom Kettinger, Tom Kupciunas, Ray Hood Phillips, Greg Thomas, Melanie Wisniewski
Dir fld mktg: Dick Ambrose
Dir media, Denis Hitchmough
Parent: Pillsbury Co.
Agency: J. Walter Thompson, N.Y.
Sr vp-mgmt dirs: Jim Heekin (natl), Robert Norsworthy (fld)
Sr vp-acct dirs: John Tracosas (natl), Dennis McCart (fld)
Vp-acct suprs: Anne Allen, Kendall Crolius
Acct execs: Susan Hagopian, Matt Heller, Phil Shaw
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Sr vp-assoc media dir (net neg), Arnold Chase
Vp-assoc media dir, Al Romano
Vp-mgr fld media plng, Ginny Dietrich
Media supr natl plng, Joe Arbogast
Asst mgr fld media plng, Dale Plowden
Minority marketing agency: UniWorld Group, N.Y.
Pres-dir acct srvc, Herb Kemp
Mgmt supr, Andy Bonaparte
Acct suprs: Jim Miller, Kon Owens
Media dir, John Harris

3. AT&T LONG DISTANCE LINES

(Domestic, residential)

AT&T Communications

	Media investments 1985	Media investments 1984
Magazines	$ 21,417,000	$17,236,000
Natl. Sun. mags.	1,788,000	763,000
Network tv	79,326,000	370,000
Spot tv	4,979,000	68,000
Network radio	9,839,000	—
Outdoor	6,000	3,000
Network cable	1,372,000	(No data)
Newspapers*	19,899,000	2,962,000
Total	**$138,626,000**	**$21,402,000**

*M&MD estimates

Marketing/brand management:
Adv dir, K. M. Armstrong
District mgrs: J. Kleban, S. Block, J. Woodall
Parent: American Telephone & Telegraph Co.
Agency: NW Ayer, New York
Sr vp-exec acct dir, S. Mattison
Sr vp-mgmt supr, F. McClafferty
Sr vp-grp media dirs: J. Twyon, B. Gordon
Vp-assoc media dirs: M. Burg, M. Schwach
Hispanic markets agency: Bermudez & Assoc., L.A.
Chmn-ceo, Edwardo Bermudez
Pres, James Golightly
Acct supr, Marguerite Cueto
Acct execs: Ava Overstreet, Patricia Testa
Media dir, Rachel Maya

lack agency: Uniworld, N.Y.
p-acct supr, Linda D. Dukette
cct exec, Rita M. Young
media plnr, Franklin Rouse

. WENDY'S RESTAURANTS

endy's International Inc.

	Media investments 1985	1984
agazines	$ 762,000	$ 15,000
atl. Sun. mags.	—	—
etwork tv	44,274,000	34,688,000
pot tv	39,323,000	38,818,000
etwork radio	—	—
utdoor	1,797,000	1,711,000
etwork cable	408,000	(No data)
ewspapers	(No data)	(No data)
tal	$86,564,000	$75,232,000

arketing/brand management:
xec vp mktg, William Welter
p corp mktg, Bruce Ley
p fld mktg & mktg srvcs, Don
alhoon
p corp comm, Denny Lynch
p mktg analysis/new prod, Michael
apienza
p natl adv, R. Daniel Dahlen
gency: DFS, New York
xec vp-mgmt dir, Joseph Mack
r vp-mgmt suprs: Robert Reed,
harles Rath
xec vp-dir mktg srvcs, Allen Banks
r vp-sr assoc media dir, Peter
egan
p-assoc media dir, John Adams
lack markets agency:
ockhart & Pettus, N.Y.
r vp-dir client srvcs, Ronn Harris
awrence E. Cooke, media director
ispanic agency: Mendoza, Dillon,
ewport Beach, Calif.
p, Eduardo del Rivero

. CHEVROLET LOCAL DEALERS

	Media investments 1985	1984
agazines	—	—
atl. Sun. mags.	—	—
etwork tv	—	—
pot tv	$46,566,000	$39,031,000
etwork radio	—	—
utdoor	4,245,000	3,656,000
etwork cable	—	(No data)
ewspapers	34,195,000	29,033,000
tal	$85,006,000	$71,720,000

arketing/brand management:
hevrolet Div., General Motors:
m, Robert D. Burger
en sls & srvc mgr, Robert W. Starr
en mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgrs: Ed K. Roggenkamp III (fld), Thomas R. Mason (passenger cars), John M. Kelley (trucks)
Mgrs adv: Danielle K. Colliver (passenger cars), G. Neil Perkins (trucks)
Asst mgr fld mktg, Dave Reardon
Agencies: Various

6. FORD LOCAL DEALERS

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$55,760,000	$46,447,000
Network radio	—	—
Outdoor	2,983,000	2,501,000
Network cable	—	(No data)
Newspapers	25,644,000	20,904,000
Total	$84,387,000	$69,852,000

Marketing/brand management:
Ford Motor Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, Harry S. Wilson (dealers), R. J. Gillooly (cars), Gerry Donnelly (trucks)
Media mgr, Dick Halseth
Adv-sales prom, A. Pridgeon
Agencies: Various

7. BUDWEISER BEER

Anheuser-Busch, Inc.

	Media investments 1985	1984
Magazines	$ 1,571,000	$ 1,289,000
Natl. Sun. mags.	—	—
Network tv	40,935,000	49,072,000
Spot tv	20,010,000	17,985,000
Network radio	4,047,000	1,564,000
Outdoor	1,713,000	1,426,000
Network cable	7,345,000	(No data)
Newspapers	2,836,000	2,003,000
Total	$78,457,000	$73,339,000

Marketing/brand management:
Vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, Tom Sharbaugh
Sr prod mgr, Bob Merz
Assoc prod mgrs: Jack Hanzlovic, Bryan Porter
Agency: D'Arcy Masius Benton & Bowles, St. Louis
Sr vp-acct grp dir, Todd Abrams
Sr vp-mgmt supr, Jim Palumbo
Acct supr, Rich Lalley
Acct execs: Fred Wolter, Mike McNeal, Bryce McTavish
Sr vp-media dir, Jim Porcarelli
Sr vp-deputy dir, Steve Phelps
Vp-assoc media dir, Beth Seib

8. KENTUCKY FRIED CHICKEN FOOD SERVICE

Kentucky Fried Chicken Corp.

	Media investments 1985	1984
Magazines	$ 45,000	—
Natl. Sun. mags.	—	—
Network tv	44,565,000	$39,159,000
Spot tv	30,702,000	23,680,000
Network radio	—	—
Outdoor	720,000	479,000
Network cable	370,000	(No data)
Newspapers	(No data)	(No data)
Total	$76,402,000	$63,318,000

Marketing/brand management:
Exec vp mktg, Robert McDowell
Vp mktg, Bob Lee
Exec dir ntl co-op, Phil Risinger
Dir media srvcs, Mike Kern
Parent: RJR Nabisco
Agency: Young & Rubicam, N.Y.
Sr vp-grp dir, John Glorieux
Vp-mgmt supr, Monty Roberts
Vp-acct suprs: Chris Becker, David Findel
Acct execs: Simon Gerlin, Chris Callas, Ned Van Winkle, Claudia Rose
Vp-media grp supr, Donald Davis
Media supr, Elizabeth Wynne
Hispanic markets agency:
Bermudez and Assoc., L.A.
Chmn-ceo, Edwardo Bermudez
Pres, James Golightly
Vp-acct supr, Marguerite Cueto
Acct exec, Antonio Tamayo
Media dir, Rachel Maya

9. MILLER LITE BEER

Miller Brewing Co.

	Media investments 1985	1984
Magazines	$ 214,000	$ 32,000
Natl. Sun. mags.	—	—
Network tv	56,162,000	58,179,000
Spot tv	10,716,000	8,441,000
Network radio	88,000	—
Outdoor	94,000	133,000
Network cable	2,282,000	(No data)
Newspapers	122,000	88,000
Total	$69,678,000	$66,873,000

Marketing/brand management:
Vp brand mgmt, Robert A. Toledo

Grp prod dir, Jay R. Neidenberg
Brand mgr, Noel Hankin
Asst brand mgrs: Jeff Schouten, Eric Hansen, Kevin Tripp
Parent: Philip Morris
Agency: Backer & Spielvogel, N.Y.
Exec vp-coo, G. Robert Holmen
Sr vp-grp dir, Jeffrey F. Palmer
Vp-mgmt supr, Frank J. Assumma
Acct dir, Steve Smith
Acct execs: W. Crosby Renwick, Nancy E. Gavlick
Sr vp media, Scot Butler
Media dir, Jay Schoenfeld

10. PIZZA HUT RESTAURANTS

Pizza Hut, Inc.

	Media investments 1985	1984
Magazines	—	$ 32,000
Natl. Sun. mags.	—	—
Network tv	$18,433,000	18,207,000
Spot tv	44,889,000	39,980,000
Network radio	—	—
Outdoor	739,000	174,000
Network cable	397,000	(No data)
Newspapers	(No data)	(No data)
Total	**$64,458,000**	**$58,393,000**

Marketing/brand management:
Sr vp mktg, Ray Caruso
Vp adv, David Ropes
Agency: Chiat/Day, Los Angeles
Exec vp-gen mgmt, Tom Patty
Mgmt supr, Patrick Sherwood
Acct supr, Consuelo Gomez
Vp-media dirs: Hank Antosz, Gene DeWitt (DeWitt Media)
Media supr, Susie Mason
(Spot media bought by local agencies)

11. MILLER HIGH LIFE BEER

Miller Brewing Co.

	Media investments 1985	1984
Magazines	$ 4,080,000	$ 999,000
Natl. Sun. mags.	—	—
Network tv	47,429,000	46,590,000
Spot tv	7,046,000	8,073,000
Network radio	—	—
Outdoor	802,000	499,000
Network cable	1,910,000	(No data)
Newspapers	1,913,000	1,255,000
Total	**$63,180,000**	**$57,416,000**

Marketing/brand management:
Vp brand mgmt, Robert Toledo
Brand mgr, Robert Tyley
Grp prod dir, Jerry Schmutte
Asst brand mgrs: Kae Rowland, Rob Olejniczak
Media dir, Robert Ward
Parent: Philip Morris
Agency: JWT, New York
Sr vp-grp dir, Tim Arnold
Vp-acct suprs: Martin Susz, Andrew Rider
Acct exec, Ander Wensberg
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Vp-assoc media dir, Michael Gross
Media supr, Chris Manning

12. HASBRO TOYS

Hasbro, Inc.
(Not including Playskool and Milton Bradley)

	Media investments 1985	1984
Magazines	$ 2,023,000	$ 2,017,000
Natl. Sun. mags.	—	—
Network tv	17,582,000	13,431,000
Spot tv	41,259,000	20,051,000
Network radio	—	—
Outdoor	—	—
Network cable	568,000	(No data)
Newspapers	284,000	—
Total	**$61,716,000**	**$35,499,000**

Marketing/brand management:
Sr vp mktg, Steve Schwartz
Corp vp mktg srvcs, Alfred C. Carosi Jr.
Dir media srvcs, Debbie Boyd
Vp boys' toys, Bob Propis
Vp girls' toys, Maureen Souza
Vp Softies, Neil Friedman
Agency: Griffin Bacal, New York
Pres, Tom Griffin
Exec vp client srvcs, Paul Kurnit
Exec vp-dir crtv srvcs, Joe Bacall
Exec vp-dir media srvcs, Arthur Heller
Sr vp-crtv dir, Leonard Leokum
Vp-mgmt suprs: Gary Wald (intl), Bob Horne (boys'), Mary Sue Robinson (girls')

The biggest-spending categories and their top brand families are listed beginning on page 56.

13. AMERICAN AIRLINES PASSENGER SERVICE

American Airlines, Inc.

	Media investments 1985	1984
Magazines	$ 2,401,000	$ 3,917,000
Natl. Sun. mags.	—	—
Network tv	23,008,000	22,273,000
Spot tv	16,281,000	16,632,000
Network radio	461,000	—
Outdoor	80,000	341,000
Network cable	190,000	(No data)
Newspapers	19,293,000	13,181,000
Total	**$61,714,000**	**$56,344,000**

Marketing/brand management:
Sr vp passenger mktg, Michael W. Gunn
Asst vp adv, Adrianna W. Smits
Vp corp comm, Lowell C. Duncan
Mgrs adv: Judith A. Kirvan, William E. Quackenbush, Bruce Goodyear, Andrea Spica
Asst vp sls prom, Frank J. DiNuzzo
Mgr adv admin, Gregg Mavico
Parent: AMR Corp.
Agency: Bozell Jacobs Kenyon & Eckhardt, Dallas
Exec vp-dir mktg srvcs, Hugh O'Brien
Sr vp-media dir, Philip Brushaber
Exec vp-dir client srvcs, Paul Gold
Vp-assoc media dir, Mary Bresnahan
Sr vp-grp acct dir, Tom Hooke

14. UNITED AIRLINES PASSENGER SERVICE

United Airlines, Inc.

	Media investments 1985	1984
Magazines	$ 2,309,000	$ 827,000
Natl. Sun. mags.	—	—
Network tv	28,029,000	25,839,000
Spot tv	12,579,000	18,801,000
Network radio	1,447,000	—
Outdoor	482,000	520,000
Network cable	1,348,000	(No data)
Newspapers	11,734,000	6,056,000
Total	**$57,928,000**	**$52,043,000**

Marketing/brand management:
Exec vp mktg & plng, John Zeeman
Vp adv & prom, John Ruhaak
Dir adv, Bill Alenson
Mgrs: Bill Groundwater, Al Sortwell
Agency: Leo Burnett, Chicago
Sr vp-acct dir, Jim Thompson
Vp-acct supr, John Goad
Acct supr, Jack Woods
Exec vp media srvcs div, Willard Hadlock
Media dir, Sally Hunter

15. AMERICAN EXPRESS CREDIT CARD SERVICES

American Express Co.

	Media investments	
	1985	1984
Magazines	$15,239,000	$ 9,237,000
Natl. Sun. mags.	594,000	306,000
Network tv	27,994,000	20,597,000
Spot tv	12,574,000	9,093,000
Network radio	—	12,000
Outdoor	13,000	208,000
Network cable	334,000	(No data)
Newspapers	—	—
Total	**$56,748,000**	**$39,453,000**

Marketing/brand management:
Vp adv worldwide, Richard Tulimieri
Sr vp mktg, Diane Sheib
Vp adv, Joan Bonnetti
Agencies: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Shelly Lazarus
Vp-mgmt supr, Scott Marshall
Sr vp-assoc media dir, Wilma Epstein
Vp-asst media dir, Linda Fidelman
Vp-acct supr, Rebecca Saeger
McCann-Erickson, N.Y.
(Gold Card)
Sr vp-mgmt rep, Ian Hooper
Vp-acct dir, Tom Beach
Exec vp-media dir, Ira Carlin
Vp-plng mgr, Vince Tortorelli

16. AT&T BUSINESS LONG DISTANCE

AT&T Communications

	Media investments	
	1985	1984
Magazines	$10,726,000	$ 280,000
Natl. Sun. mags.	—	—
Network tv	29,417,000	25,232,000
Spot tv	5,752,000	1,373,000
Network radio	372,000	192,000
Outdoor	—	—
Network cable	1,178,000	(No data)
Newspapers*	7,787,000	4,232,000
Total	**$55,232,000**	**$31,309,000**

*M&MD estimates

Marketing/brand management:
Adv dir, K. M. Armstrong
District mgrs: J. Kleban, S. Block, J. Woodall
Agency: McCann-Erickson, N.Y.
Sr vp-grp mgmt dir, H. O'Brien
Sr vp-mgmt rep, T. Driscoll
Vp-media plng mgr, V. Tortorelli

17. COCA-COLA SOFT DRINK

Coca-Cola USA

(Not including Caffeine Free Coke, Cherry Coke, Coke Classic, Diet Coke, etc.)

	Media investments	
	1985	1984
Magazines	$ 228,000	$ 253,000
Natl. Sun. mags.	—	—
Network tv	24,587,000	24,765,000
Spot tv	22,483,000	20,647,000
Network radio	338,000	—
Outdoor	2,982,000	2,633,000
Network cable	1,335,000	(No data)
Newspapers	2,551,000	477,000
Total	**$54,504,000**	**$48,753,000**

Marketing/brand management:
Sr vp mktg, Sergio Zyman
Asst to sr vp mktg, David Clapp
Grp brand dir, William Schermerhorn
Vp-corp media dir worldwide, William H. Lynn
Corp media mgr, Terri Buckland
Agency: McCann-Erickson, N.Y.
Exec vp-worldwide, William C. Thompson, Jr.
Exec vp-NY, John Dooner
Sr vp-grp mgmt dir, Ed Comiskey
Sr vp-mgmt rep, Marsha Badanes
Acct exec, Susan Kveton
Exec vp-worldwide media srvcs, Gordon Link
Exec vp-media dir, Ira Carlin
Vp-plng mgr, Stan Weinstein
Vp-assoc media dir, Kevin Mannion
Media grp head, Mike Delaney
Vp-worldwide coor, Ron Hatcher
Media supr, Vic Ruvolo
Media plnr, Jim Hommel
Worldwide coors: Sandra Famigliette, Chris Fay
Black agency: Burrell, Atlanta
Sr vp-gm (Atlanta), William Sharp
Acct exec, Raynard Hall
Vp-media dir, Nick Howse
Media supr, Michelle Garner

There are five soft drinks among the Top 200 advertised products of 1985.

18. IBM PERSONAL COMPUTER SYSTEMS

International Business Machines Corp.

	Media investments	
	1985	1984
Magazines	$ 9,611,000	$ 9,592,000
Natl. Sun. mags.	92,000	145,000
Network tv	22,376,000	18,815,000
Spot tv	865,000	1,370,000
Network radio	1,070,000	—
Outdoor	—	—
Network cable	655,000	(No data)
Newspapers*	16,670,000	22,284,000
Total	**$51,531,000**	**$52,206,000**

*M&MD estimates

Marketing/brand management:
Entry Systems Division:
Dir adv & prom pgms, D. T. Coker
Mgr PC adv pgms, R. J. O'Leary
Mgr adv & channel suppt, J. R. Hendrey
Agency: Lord, Geller, Federico, Einstein, N.Y.
Sr vp, Ray Freeman

19. GTE SPRINT LONG DISTANCE LINES

GTE Sprint Communications Corp.

	Media investments	
	1985	1984
Magazines	$ 451,000	$ 1,033,000
Natl. Sun. mags.	—	—
Network tv	—	6,231,000
Spot tv	42,212,000	14,693,000
Network radio	—	—
Outdoor	21,000	—
Network cable	—	(No data)
Newspapers*	6,440,000	4,556,000
Total	**$49,124,000**	**$26,513,000**

*MM&D estimates

Marketing/brand management:
Sr vp mktg, Edward W. Carter
Vp brand mgmt, Frank McBride
Adv dir, Ralph H. Sherman, Jr.
Agency: JWT, San Francisco
Sr vp-grp dir, Steve Sanchez
Vp-mgmt suprs: Sherry Corniglia, Allan Hayes, Tina Meinig
Sr vp media, Charlotte Weissenberger
Assoc media dir, Al Adams

20. NISSAN DEALERS ASSOCIATIONS

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$46,818,000	$32,981,000
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers	1,662,000	949,000
Total	**$48,480,000**	**$33,930,000**

Marketing/brand management:
Nissan Motors, Inc.:
Vp mktg srvcs, Bob Kent
Dir adv, Joe Opre
Natl dealer adv mgr, Bern Owens
Dealer adv suppt mgr, Dale Finley
Media plng mgr, Susan Furedi
Agencies: Various

21. BUD LIGHT BEER
Anheuser-Busch, Inc.

	Media investments 1985	1984
Magazines	$ 169,000	$ 485,000
Natl. Sun. mags.	—	—
Network tv	30,082,000	43,032,000
Spot tv	11,844,000	9,807,000
Network radio	826,000	615,000
Outdoor	536,000	631,000
Network cable	3,949,000	(No data)
Newspapers	270,000	243,000
Total	**$47,676,000**	**$54,813,000**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp prod mgr, Tom Sharbaugh
Sr prod mgr, Bob Goughenour
Agency: Needham Harper, Chicago
Vp-acct supr, Mike Kearns
Sr vp-mgmt rep, Don Richards
Acct exec, David Kirk
Asst acct exec, Lisa Henson
Sr vp-grp acct dir, Ron Bess
Vp-assoc media dir, Gary Mueller
Media supr, Tim Kopaczewski

Five of the top 10 are fast-food restaurants.

22. SEARS MISCELLANEOUS BRANDS
Sears Roebuck & Co.

	Media investments 1985	1984
Magazines	$ 1,959,000	$ 2,101,000
Natl. Sun. mags.	105,000	12,000
Network tv	28,263,000	67,022,000
Spot tv	9,759,000	11,788,000
Network radio	4,332,000	2,881,000
Outdoor	20,000	4,000
Network cable	711,000	(No data)
Newspapers	(No data)	(No data)
Total	**$45,149,000**	**$83,808,000**

Marketing/brand management:
Natl rtl adv mgr, William Cora
Natl adv srvc mgr, Jack Lewis
Mgr natl media srvcs (magazines, bdcst), Bernie Miller
Mgr bdcst oper, Barbara Drier
Agencies: Ogilvy & Mather, Chicago
(hardlines)
(network TV prime time buying)
Exec vp-managing dir, Bill Whitney
Sr vp-gm, Wim Slootweg
Sr vp-grp mgmt supr, Al Mager
Vp-mgmt suprs: Robert Vail, Randy Seffren
Acct supr, Dan Delaney
Acct supervision: Don Campbell, Jeff Totaro, Brenda Miller, Bruce Jasurda
Sr vp-media dir, Bill Behrmann
Media supr, Connie MacTaggart
Media plnr, Lisa Minella
Asst plnrs: Ketra Cover, Roman Martens, Laurie Koshgarian, Dina Kaplan
Needham Harper, Chicago
(softlines)
(Tv sports; network tv and radio)
Pres (Chicago), C. A. Wolfe
Sr vp-grp acct dir, David Snell
Mgmt rep, Carole Black
Acct suprs, Nancy Bernstein, Mike Baker
Sr vp-media dir, Michael White
Sr vp-assoc media dir, Geoffrey McClelland
Media suprs: Judith Fischer, Ann Vail
Stern Walters/Earle Ludgin, Chicago
(Direct marketing media)
Sr vp-mgmt rep, Maryanne Friend
Vp-acct suprs: Tom Radloff, Ruth Motzer
Vp-media dir, Don Kaminky
Media suprs: John Kacmarek, Linda McLaughlin
Hispanic markets agency: Hispania/JWT, Chicago
Sr vp-gm, Caroline Demy (N.Y.)
Acct supr, Marta Perez
Media dir, Nancy Tellet (N.Y.)

23. ABC TV NETWORK
Capital Cities/ABC, Inc.

	Media investments 1985	1984
Magazines	$28,740,000	$29,580,000
Natl. Sun. mags.	407,000	—
Network tv	—	—
Spot tv	11,000	49,000
Network radio	33,000	—
Outdoor	21,000	—
Network cable	620,000	(No data)
Newspapers*	10,359,000	8,258,000
Total	**$44,220,000**	**$41,773,000**

*MM&D estimates

Marketing/brand management:
Vp adv & station prom, Pete Barrett (N.Y.)
Vp mktg & adv srvcs, Candace Farrell (L.A.)
Dir adv, Joe Green (L.A.)
Dir mktg & adv, Mark Zakarin (L.A.)
Vp, Dennis Fitch (L.A.)
Agencies: NW Ayer, New York
(News, corporate)
Exec vp-exec acct dir, Thomas F. Maxey
Sr vp-mgmt supr, Mark Bollman
Vp-acct supr, Henry A. Hartwell, III
Vp-grp media dir, Beth Gordon
Vp-assoc media dir, Ricard Alcott
McCaffrey & McCall, New York
(Primetime, daytime, sports)
Exec vp-grp acct dir, Norman Freedman
Sr vp-mktg supr, Barry Weintraub (L.A.)
Vp-acct suprs: Linda Brady, Pat Corrigan (sports), George Rojas (daytime)
Acct suprs: Tom Biggs, Kent Setnaoui (sports)
Acct execs: Melissa Daly (daytime), Maggie Keats (primetime)
Sr vp-media dir, Tom Wilson
Media supr, Grace Mathias
Vp-assoc media dir, Julie Pinkwater
Media plnr, Lisa Villalobos
Grey, New York
(Movies)
Exec vp-dir media & prog, Alec Gerster
Vp, Donald Foley

24. **TRUE VALUE STORES**

Cotter & Co.

	Media investments 1985	1984
Magazines	$ 5,436,000	$ 4,198,000
Natl. Sun. mags.	—	—
Network tv	14,656,000	11,844,000
Spot tv	13,126,000	14,640,000
Network radio	9,049,000	10,201,000
Outdoor	44,000	33,000
Network cable	1,492,000	(No data)
Newspapers	(No data)	(No data)
Total	**$43,803,000**	**$40,916,000**

Marketing/brand management:
Sec/treas-merch mgr, Ed Lanclot
Agency: Christenson, Barclay & Shaw, Chicago
Pres-acct exec, Jerry Christenson
Media dir, Teresa Miller

25. **DELTA AIRLINES PASSENGER SERVICE**

Delta Air Lines, Inc.

	Media investments 1985	1984
Magazines	$ 426,000	$ 340,000
Natl. Sun. mags.	—	—
Network tv	6,142,000	4,396,000
Spot tv	13,356,000	10,823,000
Network radio	—	—
Outdoor	1,844,000	1,591,000
Network cable	4,715,000	(No data)
Newspapers	16,993,000	26,273,000
Total	**$43,476,000**	**$43,423,000**

Marketing/brand management:
Sr vp mktg, W. W. Hawkins
Dir adv, Jim Porter
Mgr adv, Wayne Soph
Agency: BDA/BBDO, Atlanta
Pres-mgmt supr, Glenn Verrill
Sr vp-acct supr, Jack Walz
Sr vp-media dir, Martin Hollinger

26. **PEPSI-COLA SOFT DRINK**

Pepsi-Cola, U.S.A.
(Not including Pepsi Free, Pepsi Light, Diet Pepsi, etc.)

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 9,819,000	$ 9,029,000
Spot tv	28,000,000	22,845,000
Network radio	216,000	—
Outdoor	1,538,000	1,140,000
Network cable	1,534,000	(No data)
Newspapers	2,200,000	907,000
Total	**$43,307,000**	**$33,921,000**

Marketing/brand management:
Pres, Roger Enrico
Exec vp-dir mktg/sls, John Costello
Sr vp crtv srvcs, Allan Pottasch
Vp mktg, Richard Blossom
Adv mgr, Jeff Myers
Media dir, Henry V. Hayes
Assoc media dir, Mary Ann Power
Natl media mgr, Ron Mednick

Agency: BBDO, New York
Exec vp-sr mgmt rep, Gary DePaolo
Sr vp-mgmt supr, Bill Katz
Exec vp-dir media srvcs, Arnie Semsky
Sr vp-dir media plng srvcs, Mike Drake
Sr vp-dir net tv & prog, William Croasdale
Sr vp-assoc media dir, Ivan Becker
Vp-net supr, Stewart Schlossman
Net buyer, Diane Lattanzi
Media suprs: Rene Goldmuntz, May Ann Cunningham
Media plnr, Oscar Fojas

Ethnic creative agency: Mingo-Jones, N.Y.
Sr vp-dir client srvcs, Samuel Chisolm
Acct exec, Eric Randolph

27. **EASTERN AIRLINES PASSENGER SERVICE**

Eastern Air Lines Inc.

	Media investments 1985	1984
Magazines	$ 4,397,000	$ 3,954,000
Natl. Sun. mags.	31,000	56,000
Network tv	350,000	3,860,000
Spot tv	15,326,000	15,720,000
Network radio	—	—
Outdoor	1,325,000	2,071,000
Network cable	138,000	(No data)
Newspapers	20,710,000	18,611,000
Total	**$42,277,000**	**$44,272,000**

Marketing/brand management:
Sr vp mktg, John W. Nelson
Vp adv, William H. Dowse
Mgrs: Robert A. Wolf (adv srvcs), Jennifer Montague (bus adv), Herbert Ross (vacation adv), Robert de Cespedes (intl), Robert J. Bauer (sls prom)
Agency: Campbell-Ewald, Detroit
Sr vp-assoc mgmt supr, Robert F. Henry
Vp-acct suprs: T. Steele, M. Solomon, D. McAfee
Acct supr, John Brink

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Sr vp-assoc media dir, Robert Gervason
Sr vp-media mgr, Susan Ritenour
Grp sr vp, Joseph Karle
Sr vp-assoc mgmt suprs: Warren Ruden, Michael Rogers, Gunther Saupe
Exec vp-dir media srvcs, Louis M. Schultz

28. AT&T CORPORATE

American Telephone & Telegraph Co.

	Media investments 1985	1984
Magazines	$ 9,685,000	$14,286,000
Natl. Sun. mags.	—	297,000
Network tv	22,490,000	51,639,000
Spot tv	2,132,000	3,899,000
Network radio	6,188,000	776,000
Outdoor	—	—
Network cable	411,000	(No data)
Newspapers	1,313,000	2,370,000
Total	**$42,219,000**	**$73,267,000**

Marketing/brand management:
Sr vp, E. M. Block
Corp vp, J. L. Brunson
Corp media dir, R. W. Watson
Corp media mgr, J. D. Speros
Div mgrs: R. J. Martin, R. Z. Manna
District mgrs: J. R. Byrne, L. Urben, A. M. Winters
Agency: NW Ayer, New York
Exec vp-exec acct dir, T. Maxey
Sr vp-mgmt supr, H. Stoner
Sr vp-grp media dir, D. Lehmkuhl
Vp-assoc media dir, S. Kaufman
Minority/college recruitment agency: Uniworld, New York
Vp-acct supr, L. Dukette
Media dir, S. Cherot
Sr vp-gm/Hispanic, H. Morales
Acct exec, Rita M. Young
Assoc media dir, Irene Flores
Sr media plnr, Franklin Rouse

29. NISSAN COMPACT TRUCKS

Nissan Motors Inc.

	Media investments 1985	1984
Magazines	$ 3,163,000	$ 2,849,000
Natl. Sun. mags.	—	—
Network tv	13,739,000	13,818,000
Spot tv	20,448,000	20,020,000
Network radio	—	—
Outdoor	353,000	233,000
Network cable	310,000	(No data)
Newspapers	3,326,000	3,520,000
Total	**$41,339,000**	**$40,440,000**

Marketing/brand management:
Vp mktg srvcs, Bob Kent
Dir adv, Joe Opre
Natl truck adv mgr, Dave Hubbard
Media plng mgr, Susan Furedi
Agency: William Esty, NY
Sr vp-acct dir, Dick Macedo (L.A.)
Sr vp-media dir, Stacey Lippman
Sr vp-grp media dir, Lucielle Gionet
Assoc media dirs: Doug Powers (N.Y.), Jolene Fredrick (L.A.)

30. TACO BELL RESTAURANTS

Taco Bell

	Media investments 1985	1984
Magazines	$ 56,000	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	38,655,000	$28,473,000
Network radio	—	—
Outdoor	589,000	222,000
Network cable	37,000	(No data)
Newspapers	(No data)	(No data)
Total	**$39,337,000**	**$28,695,000**

Marketing/brand management:
Vp mktg, James P. Loser
Vp fld mktg, Dane Waitkus
Dirs fld mktg: Craig Held, Bruce Galler
Vp adv, George Reynolds
Mgr media srvcs, Diane Nivison
Parent: PepsiCo
Agency: Tracy-Locke, Dallas
Exec vp-mgmt rep, Rod Underhill
Vp-acct supr, Todd Knudson
Vp-assoc media dir, Sandra McQuality

31. SEARS HOUSEHOLD ITEMS

Sears Roebuck & Co.

	Media investments 1985	1984
Magazines	$ 2,129,000	$ 1,336,000
Natl. Sun. mags.	—	—
Network tv	24,849,000	16,725,000
Spot tv	2,999,000	1,516,000
Network radio	8,064,000	2,188,000
Outdoor	19,000	—
Network cable	596,000	(No data)
Newspapers	(No data)	(No data)
Total	**$38,656,000**	**$21,765,000**

Marketing/brand management:
Natl rtl adv mgr, William Cora
Natl adv srvc mgr, Jack Lewis
Mgr natl media srvcs (magazines, bdcst), Bernie Miller
Mgr bdcst oper, Barbara Drier
Agencies: Ogilvy & Mather, Chicago
(hardlines)
(network TV prime time buying)
Exec vp-managing dir, Bill Whitney
Sr vp-gm, Wim Slootweg
Sr vp-grp mgmt supr, Al Mager
Vp-mgmt suprs: Robert Vail, Randy Seffren
Acct supr, Dan Delaney
Acct supervision, Don Campbell, Jeff Totaro, Brenda Miller, Bruce Jasurda
Sr vp-media dir, Bill Behrmann
Media supr, Connie MacTaggart
Media plnr, Lisa Minella
Asst plnrs: Ketra Cover, Roman Martens, Laurie Koshgarian, Dina Kaplan
Needham Harper, Chicago
(softlines)
(Tv sports; network tv and radio)
Pres (Chicago), C. A. Wolfe
Sr vp-grp acct dir, David Snell
Mgmt rep, Carole Black
Acct suprs: Nancy Bernstein, Mike Baker
Sr vp-media dir, Michael White
Sr vp-assoc media dir, Geoffrey McClelland
Media suprs: Judith Fischer, Ann Vail
Stern Walters/Earle Ludgin, Chicago
(Direct marketing media)
Sr vp-mgmt rep, Maryanne Friend
Vp-acct suprs: Tom Radloff, Ruth Motzer
Vp-media dir, Don Kaminky
Media suprs: John Kacmarek, Linda McLaughlin
Hispanic markets agency: Hispania/JWT, Chicago
Sr vp-gm, Caroline Demy (N.Y.)
Acct supr, Marta Perez
Media dir, Nancy Tellet (N.Y.)

32. NBC TV NETWORK

National Broadcasting Co., Inc.

	Media investments 1985	1984
Magazines	$25,761,000	$22,586,000
Natl. Sun. mags.	292,000	—
Network tv	—	—
Spot tv	2,000	5,000
Network radio	1,638,000	712,000
Outdoor	107,000	60,000
Network cable	54,000	(No data)
Newspapers	9,853,000	10,067,000
Total	**$37,707,000**	**$33,430,000**

Marketing/brand management:
Vp adv oper/admin, Paul Wang

Dir media, Marla Goldstein (Burbank)
Vps-adv & prom, Frank N. Pintauro (N.Y.), John Miller (Burbank)
Parent: RCA/GE
Agency: Diener/Hauser/Bates, L.A./N.Y.
Exec vp media, Norman Trell (N.Y.)
West coast pres-acct mgmt supr, Eugene B. Cofsky
Sr vp-media dir, Cheryl Lodinger (N.Y.)
Vp-media dir, Nicky Shapiro (L.A.)
Media plnr, Joan Condon (L.A.)
Print: Leslie Cutting (L.A.), Rena Attison (N.Y.)
Radio, Maureen Daley (N.Y.)
Movies-of-the-Week & Mini-Series:
Acct supr-crtv dir, Melanie Paykos (L.A.)
Assoc acct supr-crtv dir, Jane Lodato (L.A.)

Alphabetical index appears on page 55.

33. MIDAS MUFFLER SHOPS

Midas International Corp.

	Media investments	
	1985	1984
Magazines	—	$ 1,200,000
Natl. Sun. mags.	—	—
Network tv	$17,823,000	13,934,000
Spot tv	19,667,000	12,585,000
Network radio	—	—
Outdoor	95,000	14,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$37,585,000**	**$27,733,000**

Marketing/brand management:
Vp franchise oper & mktg, Russ Richards
Vp mktg, Ralph Linder
Adv mgr, Karen Greco
Agency: Wells, Rich, Greene, Chicago
Pres-acct grp dir, Larry Singer
Sr vp-natl acct dir, Philip Kaplan
Sr vp-dir fld srvc, Stan Flaum
Vp-media dir, Jill Cassorla
Vp-assoc media dir, David Kelly

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34. OLDSMOBILE DEALERS ASSOCIATIONS

	Media investments	
	1985	1984
Magazines	$ 24,000	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	33,621,000	$19,058,000
Network radio	—	—
Outdoor	130,000	—
Network cable	—	(No data)
Newspapers	3,669,000	2,042,000
Total	**$37,444,000**	**$21,100,000**

Marketing/brand management:
Oldsmobile Div., General Motors:
Gm, W. W. Lane
Gen sls mgr, C. N. Moore
Dir mktg, R. B. Jarboe
Adv mgr, W. R. Lynch III
Asst adv mgr, Ray Juracek
Agencies: Various
Some 130 dealer associations nationwide are represented by about 80 agencies.

35. MICHELOB BEER

Anheuser-Busch, Inc.

	Media investments	
	1985	1984
Magazines	$ 1,976,000	$ 1,529,000
Natl. Sun. mags.	31,000	—
Network tv	22,887,000	29,012,000
Spot tv	6,377,000	3,397,000
Network radio	3,855,000	1,404,000
Outdoor	289,000	209,000
Network cable	1,676,000	(No data)
Newspapers	335,000	759,000
Total	**$37,426,000**	**$36,310,000**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Dir media srvcs, Tony Ponturo
Grp mktg mgr, David C. Drew
Brand mgr, Bill McNulty
Asst prod mgr, Anne Suppiger
Agency: Needham Harper, Chicago
Acct supr, David Krishock
Acct exec, David Kuelper
Sr vp-grp acct dir, Ron Bess
Sr vp-mgmt rep, Don Richards
Vp-assoc media dir, Geoffrey McClellan
Media supr, Michael Murphy
Grp net dir, Leslie P. Dubin
Buyers: Marie Lehan (print), Karlin Armstrong (tv)

36. FORD CORPORATE

Ford Motor Co.

	Media investments	
	1985	1984
Magazines	$ 206,000	$ 1,276,000
Natl. Sun. mags.	—	—
Network tv	29,765,000	23,537,000
Spot tv	342,000	464,000
Network radio	1,890,000	701,000
Outdoor	33,000	155,000
Network cable	1,719,000	(No data)
Newspapers	3,371,000	1,803,000
Total	**$37,326,000**	**$27,936,000**

Marketing/brand management:
Exec dir mktg staff, J. G. O'Connor
Dir adv & mktg strategy, D. T. McClure
Corp adv mgr, R. C. Reynolds
Corp adv supr, H. H. Phillips
Corp adv pgms, R. W. Lynch
Agency: Wells, Rich, Greene, Dearborn, MI
Sr vp-grp dir, James B. Lawrence
Vp-mgmt supr, Victor Emmanuele (N.Y.)
Vp-acct suprs: Frank Couzens III (Detroit), R. Swann (N.Y.)
Sr acct exec, Philip Alandt
Sr vp media, Robert Geis (N.Y.)
Vp-media dir, Sheldon C. Jones
Black agency: Burrell, Chicago
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Donald A. Coleman
Vp-acct supr, Freida Curry
Vp-media dir, Nick Howse
Sr media plnr, Zeline Kelly
Asst acct exec, Leroy Kemp

37. MILK INDUSTRY PROMOTION

American Dairy Association

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$23,329,000	$ 7,994,000
Spot tv	13,122,000	16,120,000
Network radio	—	—
Outdoor	26,000	—
Network cable	—	(No data)
Newspapers	73,000	914,000
Total	**$36,579,000**	**$24,571,000**

Marketing/brand management:
Sr vp mktg, Joseph B. Kelsch
Vp-dir pub, Elizabeth G. Walsh
Vp-mktg srvcs, Grover B. Simpson
Vp-mktg plng, Stephen A. Dohrmann
Dir adv srvcs, Donna A. Arcus
Agency: DMB&B, Chicago
Sr vp-mgmt supr, Ben Bishop
Vp-acct grp suprs: Bob Meuser, Dave Urbaniak
Acct suprs: Bruce Murdy, Karen Estridge
Sr acct exec, Andrea Dichter
Sr vp media, Joe Zeller
Vp-assoc media dir, Willard Hemsworth

38. TV GUIDE CIRCULATION

TV Guide Magazine

	Media investments	
	1985	1984
Magazines	$ 14,000	—
Natl. Sun. mags.	—	—
Network tv	1,535,000	$ 30,000
Spot tv	24,389,000	21,614,000
Network radio	7,523,000	5,228,000
Outdoor	—	—
Network cable	1,678,000	(No data)
Newspapers	1,369,000	1,672,000
Total	**$36,508,000**	**$28,544,000**

Marketing/brand management:
Pub, Eric Larson
Prom dir, Fred Jervis
Consumer prom, Jay Werner
Parent: Triangle Publications
Agency: NW Ayer, New York
Exec vp-exec acct dir, Thomas G. Maxey
Vp-mgmt supr, George Malcomson
Sr vp-grp media dir, David Lehmkuhl
Media supr, Sue Kaufman
Vp-assoc media dir, Lisa Millon

39. COLUMBIA RECORD & TAPE CLUB

Columbia House

	Media investments	
	1985	1984
Magazines	$15,518,000	$12,786,000
Natl. Sun. mags.	10,045,000	11,165,000
Network tv	—	—
Spot tv	559,000	627,000
Network radio	—	—
Outdoor	—	—
Network cable	4,000	(No data)
Newspapers	10,211,000	10,274,000
Total	**$36,337,000**	**$34,852,000**

Marketing/brand management:
Dir adv, Joan Stamler
VP mktg, Sharon Kuroki
Parent: CBS Inc.
Agency: Wunderman, Ricotta & Kline, N.Y.
Sr vp, Peter Rabar
Acct supr, Karl Dentino
Acct exec, Robert O'Keefe
Asst acct exec, Carolyn Lanoff
Media dir, Juliet Darnell
Media plnrs: Mary Ellen Milmoe, Nancy Meltzer

40. U.S. ARMY RECRUITING

U.S. Army Recruiting Command

	Media investments	
	1985	1984
Magazines	$ 7,818,000	$ 5,268,000
Natl. Sun. mags.	355,000	—
Network tv	20,426,000	22,187,000
Spot tv	4,000	3,000
Network radio	4,543,000	1,253,000
Outdoor	73,000	113,000
Network cable	1,067,000	(No data)
Newspapers	1,929,000	602,000
Total	**$36,215,000**	**$29,426,000**

Marketing/brand management:
Adv & sls prom dir, Col. David Fabian
Agency: NW Ayer, New York
Exec vp-exec acct dir, George Eversman
Sr vp-mgmt supr, Lamar LeMonte
Sr vp-mgmt supr, Roy Robinson
Vp-grp media dir, David Lehmkuhl
Vp-assoc media dir, Ellen Tanenbaum
Media supr, Ria Vigil

41. ADVIL PAIN RELIEVER

Whitehall Laboratories

	Media investments	
	1985	1984
Magazines	$ 3,047,000	$ 2,189,000
Natl. Sun. mags.	—	341,000
Network tv	29,556,000	21,125,000
Spot tv	1,801,000	806,000
Network radio	—	—
Outdoor	—	—
Network cable	640,000	(No data)
Newspapers	—	167,000
Total	**$35,044,000**	**$24,628,000**

Marketing/brand management:
Vp mktg, Andrew C. Davis
Grp prod mgr, W. Kevin Bennett
Sr prod mgrs: Bill Seiden, Kathy Lawless
Prod mgrs: Brian Pazaras, Carol Liantonio
Adv dir, Richard Feldheim
Assoc adv dir, Steven Palmijano
Parent: American Home Products
Agency: Young & Rubicam, N.Y.
Sr vp-grp dir, Art Klein

Sr vp-mgmt supr, Tim Fitzgerald
Acct supr, Fred Langbecker
Acct exec, Gene Rodda
Sr vp media, Joseph Mannix
Media supr, Karen White

42. FORD DEALERS ASSOCIATIONS

	Media investments 1985	1984
Magazines	$ 2,000	$ 14,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	25,062,000	19,736,000
Network radio	—	—
Outdoor	1,339,000	773,000
Network cable	—	(No data)
Newspapers	8,611,000	6,495,000
Total	**$35,014,000**	**$27,018,000**

Marketing/brand management:
Ford Motor Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, Harry S. Wilson (dealers), R. J. Gillooly (cars), Gerry Donnelly (trucks)
Media mgr, Dick Halseth
Adv-sales prom, A. Pridgeon
Agencies include J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Note: JWT is involved with the advertising of about half of Ford's dealer associations; the other associations use their own agencies.

43. COORS BEER

Adolph Coors Co.

	Media investments 1985	1984
Magazines	$ 2,039,000	—
Natl. Sun. mags.	—	—
Network tv	11,408,000	$ 9,024,000
Spot tv	17,882,000	11,414,000
Network radio	—	—
Outdoor	1,020,000	417,000
Network cable	855,000	(No data)
Newspapers	1,465,000	538,000
Total	**$34,669,000**	**$21,393,000**

Marketing/brand management:
Exec vp sls & mktg, Robert A. Recholtz
Vp mktg, Rob Klugman
Brand dir, Gary Naifeh
Brand mgr, June Smith
Vp mktg devel, Gary Truitt
Agency: Foote, Cone & Belding, Chicago
Sr vp-grp acct dir, Bill Melzer
Vp-acct dirs: Dale Smith, Jim Gregga, Tim Prosch, Randy Windschitl
Acct dir, David Sollitt
Acct exec, Pam Crowson-Brash
Sr vp media, Fred Wray
Vp-grp media dir, Kent Vlautin
Media suprs: Bill Blaha, Mary Salmich, Steve Vye, Doug Powell, Lynne Muth
Black agency: UniWorld, N.Y.
Chmn-ceo, Byron Lewis
Pres-dir acct srvcs, Herb Kemp
Acct supr, Fred Jackson
Crtv dir, Bill Allen
Vp-assoc crtv dir, Valerie Graves
Hispanic markets agency: GSD&M, Austin, TX
Chmn, Steve Gurasich
Sr vp, Chuck Grady
Dir Hispanic srvcs, Raoul Rodriguez
Corp & pub affrs dir, Hank Olguin
Vp-assoc media dir, Tina Williamson

44. CBS TV NETWORK

CBS/Broadcast Group

	Media investments 1985	1984
Magazines	$29,894,000	$22,084,000
Natl. Sun. mags.	818,000	413,000
Network tv	—	—
Spot tv	120,000	74,000
Network radio	888,000	84,000
Outdoor	20,000	18,000
Network cable	94,000	(No data)
Newspapers*	2,643,000	2,509,000
Total	**$34,477,000**	**$25,182,000**

*M&MD estimates

Marketing/brand management:
CBS Sports:
Vp comm, Robert V. Tassie
CBS News/CBS Television Stations:
Vp adv, Douglas C. Clemenson
Agencies: Doyle Dane Bernbach, New York
Exec vp, Larry Iannuzzelli
Vp-acct supr, Robert Stern
Vp-dir newspaper/outdoor buying, Jack Cohen
Ogilvy & Mather, Los Angeles
CBS Entertainment:
Vp-mgmt supr, Marilyn Fidler

45. CHEESE INDUSTRY PROMOTION

American Dairy Association

	Media investments 1985	1984
Magazines	$ 233,000	—
Natl. Sun. mags.	—	—
Network tv	31,095,000	$13,451,000
Spot tv	1,581,000	1,502,000
Network radio	640,000	—
Outdoor	3,000	—
Network cable	402,000	(No data)
Newspapers	69,000	—
Total	**$34,057,000**	**$14,953,000**

Marketing/brand management:
Sr vp mktg, Joseph B. Kelsch
Vp-dir pub, Elizabeth G. Walsh
Vp-mktg srvcs, Grover B. Simpson
Vp-mktg plng, Stephen A. Dohrmann
Dir adv srvcs, Donna A. Arcus
Agency: D'Arcy Masius Benton & Bowles, Chicago
Sr vp-mgmt supr, Ben Bishop
Vp-acct grp suprs: Bob Meuser, Dave Urbaniak
Acct suprs, Bruce Murdy, Karen Estridge
Sr acct exec, Andrea Dichter
Sr vp media, Joe Zeller
Vp-assoc media dir, Willard Hemsworth

46. VANTAGE KING CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments 1985	1984
Magazines	$18,218,000	—
Natl. Sun. mags.	2,770,000	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	7,634,000	$1,344,000
Network cable	—	(No data)
Newspapers	5,315,000	7,163,000
Total	**$33,937,000**	**$8,507,000**

Marketing/brand management:
Sr vp brand mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, R. M. Sanders
Sr brand mgr, T. C. Harris
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Creative agency: Leber Katz, N.Y.
Exec vp-dir client srvcs, Robert Hirsch
Vp-acct grp supr, Andrew Millar
Acct supr, Robin Palazzo

47. FORD THUNDERBIRD CAR

Ford Motor Co.

	Media investments	
	1985	1984
Magazines	$11,256,000	$ 8,243,000
Natl. Sun. mags.	—	—
Network tv	20,288,000	18,140,000
Spot tv	1,096,000	1,323,000
Network radio	—	—
Outdoor	365,000	397,000
Network cable	518,000	(No data)
Newspapers	368,000	169,000
Total	**$33,891,000**	**$28,272,000**

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, R. J. Gillooly (cars),
Media mgr, Dick Halseth
Adv-sls prom, A. Pridgeon
Agency: J. Walter Thompson, Detroit, MI
Exec vp-gen mgr, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Donald A. Coleman
Vp-acct supr, Freida Curry
Asst acct exec, Leroy Kemp

48. HARDEE'S RESTAURANTS

Hardee's Food Systems, Inc.

	Media investments	
	1985	1984
Magazines	$ 15,000	$ 14,000
Natl. Sun. mags.	—	—
Network tv	8,925,000	6,991,000
Spot tv	23,288,000	18,493,000
Network radio	—	—
Outdoor	1,365,000	1,000,000
Network cable	8,000	(No data)
Newspapers	(No data)	(No data)
Total	**$33,601,000**	**$26,498,000**

Marketing/brand management:
Vp natl mktg, Tony Monzo
Parent: Imasco
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Dave Warden
Vp-assoc media dir, Alan Orlick
Media dir, Ray Simko

49. TOYOTA LOCAL DEALERS

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$17,231,000	$15,049,000
Network radio	—	—
Outdoor	1,740,000	2,074,000
Network cable	—	(No data)
Newspapers	14,476,000	8,209,000
Total	**$33,447,000**	**$25,332,000**

Marketing/brand management:
Toyota Motor Sales U.S.A.:
Vp-mktg dir, George Borst
Brand mgmt, Charles Valentine
Brand mgrs: Dave Danzer (cars), Jan Thompson (trucks)
Agencies: Various

50. DIET COKE SOFT DRINK

Coca-Cola USA

	Media investments	
	1985	1984
Magazines	$ 453,000	—
Natl. Sun. mags.	—	—
Network tv	18,486,000	—
Spot tv	12,835,000	—
Network radio	19,000	—
Outdoor	134,000	$ 8,000
Network cable	292,000	(No data)
Newspapers	551,000	966,000
Total	**$32,770,000**	**$974,000**

Marketing/brand management:
Sr vp mktg, Sergio Zyman
Grp brand mgr, Micheal Beindorff
Brand mgr, Daniel Sayre
Assoc brand mgr, Virginia Rockwell
Asst brand mgr, Brian Lanahan
Agency: SSC&B, New York
Exec vp, F. Stone Roberts
Sr vp-mgmt supr, Donald Lenehan
Vp-acct supr, Michael Skoletsky
Acct execs: Sheila Dailey, Lisa O'Connell
Exec vp media, Robert Lilley
Media dir, Alan Jurmain
Asst acct exec, Roger Fishman
Staff asst, Linda Rosen
Vp-assoc media dir, Chris Gagen
Asst media dir, Ellen Politi
Media plnr, David Lowery
Black agency: Burrell, Atlanta
Sr vp-gm (Atlanta), William Sharp
Acct exec, Raynard Hall
Vp-media dir, Nick Howse
Media supr, Michelle Garner

51. CAMPBELL'S CANNED SOUPS

Campbell Soup Co.

	Media investments	
	1985	1984
Magazines	$ 2,009,000	$ 3,541,000
Natl. Sun. mags.	495,000	821,000
Network tv	21,112,000	21,178,000
Spot tv	2,013,000	2,171,000
Network radio	4,655,000	4,021,000
Outdoor	—	—
Network cable	474,000	No data
Newspapers	1,537,000	960,000
Total	**$32,295,000**	**$32,692,000**

Marketing/brand management:
Vp-grp gm, Dan Santangelo
Sr mktg mgr, Larry Carpenter
Mktg mgrs: Lisa Lynn, Bob Steenrod
Dir media srvcs, George Mahrlig
Agencies: SCS Advertising, Camden, N.J. (in-house)
Managing dir, Paul Mulcahy
Backer & Spielvogel, N.Y.
Exec vp-coo, G. Robert Holmen
Sr vp-grp mgmt rep, Joseph Prior
Vp-mgmt supr, James Keller
Vp-acct dirs: Will Eddy, Jeff Andrews
Acct supr, Katherine Moreau
Sr vp media, Jay Schoenfeld
Media dir, Ann Meschery
Acct execs: Victoria Glendinning, Hal Katkov
Media supr, Lisa Tronick

52. WINSTON CIGARETTES

R. J. Reynolds Tobacco Co.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	$25,510,000	$10,736,000
Network cable	—	No data
Newspapers	6,458,000	7,217,000
Total	**$31,968,000**	**$7,953,000**

Marketing/brand management:
Sr vp brand mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, R.M. Sanders
Sr brand mgr, D. S. Johnson
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal

Grp plng mgr, T. J. McCabe
Brand plng mgr, Neal Sandler
Parent: RJR Nabisco
Creative agency:
McCann-Erickson, N.Y.
Exec vp, Edward G. A. Bathon
Sr vp-mgmt rep, Robert J. Dunn

53. DIET PEPSI SOFT DRINK

Pepsi-Cola, U.S.A.

(Not including joint ads with Pepsi regular)

	Media investments 1985	1984
Magazines	$ 1,008,000	$ 797,000
Natl. Sun. mags.	—	—
Network tv	9,147,000	15,935,000
Spot tv	21,269,000	20,382,000
Spot radio	—	—
Outdoor	39,000	375,000
Network cable	81,000	No data
Newspapers	73,000	657,000
Total	**$31,617,000**	**$38,146,000**

Marketing/brand management:
Pres, Roger Enrico
Exec vp-dir mktg/sls, John Costello
Sr vp crtv srvcs, Allan Pottasch
Vp mktg, Richard Blossom
Adv mgr, Jeff Myers
Media dir, Henry V. Hayes
Assoc media dir, Mary Ann Power
Natl media mgr, Ron Mednick
Agency: BBDO, New York
Exec vp-sr mgmt rep, Gary DePaolo
Sr vp-mgmt supr, Bill Katz
Exec vp-dir media srvcs, Arnie Semsky
Sr vp-dir media plng srvcs, Mike Drake
Sr vp-dir net tv & prog, William Croasdale
Sr vp-assoc media dir, Ivan Becker
Vp-net supr, Stewart Schlossman
Net buyer, Diane Lattanzi
Media suprs: Rene Goldmuntz, May Ann Cunningham
Media plnr, Oscar Fojas
Ethnic creative agency:
Mingo-Jones, N.Y.
Sr vp-dir client srvcs, Samuel Chisolm
Acct exec, Eric Randolph

54. BENSON & HEDGES FILTER & MENTHOL LIGHTS 100S CIGARETTES

(joint product ads)

Philip Morris U.S.A.

	Media investments 1985	1984
Magazines	$22,601,000	$ 9,301,000
Natl. Sun. mags.	3,139,000	3,584,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	—	—
Network cable	—	No data
Newspapers	5,859,000	5,835,000
Total	**$31,599,000**	**$18,720,000**

Marketing/brand management:
Grp dir brand mgmt, Robert Roper
Brand mgr, Renee Simons
Vp media, James L. Thompson Jr.
Agency: Wells, Rich, Greene, N.Y.
Sr vp-acct grp hd & mktg dir, Jayne Eastman
Vp-mgmt supr, Vince Minicucci
Sr vp-corp media dir, Bob Geis
Vp-language srvcs dir, Mike Haggerty
Vp-media grp hd, William Ferguson

55. FORD ESCORT CAR

Ford Motor Co.

	Media investments 1985	1984
Magazines	$ 8,370,000	$ 4,181,000
Natl. Sun. mags.	—	—
Network tv	17,603,000	12,865,000
Spot tv	3,079,000	421,000
Network radio	—	—
Outdoor	102,000	52,000
Network cable	433,000	No data
Newspapers	824,000	95,000
Total	**$30,411,000**	**$17,614,000**

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, R.J. Gillooly (cars),
Media mgr, Dick Halseth
Adv-sls prom, A. Pridgeon
Agency: JWT, Detroit, MI
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency:
Hispania/JWT, N.Y.
Sr vp-gm, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Donald A. Coleman
Vp-acct supr, Freida Curry
Asst acct exec, Leroy Kemp

56. AT&T INFORMATION SYSTEMS

American Telephone & Telegraph Co.

	Media investments 1985	1984
Magazines	$14,378,000	$ 9,783,000
Natl. Sun. mags.	883,000	113,000
Network tv	4,454,000	17,205,000
Spot tv	1,401,000	2,623,000
Network radio	3,007,000	4,993,000
Outdoor	—	—
Network cable	70,000	No data
Newspapers*	6,056,000	6,771,000
Total	**$30,249,000**	**$41,488,000**

*M&MD estimates

Marketing/brand management:
Adv dir, R. R. Draper
Div mgrs: P. C. Shyposh, K. Vereb
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Kelly O'Dea
Vp-mgmt supr, Cynthia Round
Sr vp-assoc media dir, Wilma Epstein
Vp-asst media dir, Andrea McAteer

57. CHEVROLET DEALERS ASSOCIATIONS

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$26,149,000	$17,326,000
Network radio	—	—
Outdoor	175,000	2,000
Network cable	—	No data
Newspapers	3,694,000	2,090,000
Total	**$30,018,000**	**$19,418,000**

Marketing/brand management:
Chevrolet Div., General Motors:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman

Mktg mgrs: Ed K. Roggenkamp III (fld), Thomas R. Mason (passenger cars), John M. Kelley (trucks)
Mgrs adv: Danielle K. Colliver (passenger cars), G. Neil Perkins (trucks)
Asst mgr fld mktg, Dave Reardon
Agencies: Various
Chosen by 157 dealer associations nationwide

58. PONTIAC DEALERS ASSOCIATIONS

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$28,974,000	$18,046,000
Network radio	—	—
Outdoor	25,000	—
Network cable	—	No data
Newspapers	728,000	347,000
Total	**$29,729,000**	**$18,393,000**

Marketing/brand management:
Pontiac Div., General Motors Corp.:
Gm, J. Michael Losh
Gen sls & srvc mgr, E. M. Schlesinger
Asst sls & srvc mgr, William E. Enockson
Adv mgr, Charlene Curry
Agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Vc chmn, Robin Smith
Sr vp-mgmt supr, Mark Gjovik
Acct mgr, Pat Brown
Acct supr, Mike Valant
Acct execs: Greg Long, Terry Reed (merch), Bob Nicholls (prod info), Art Pepin (sis promo), Jim Holman
Sr vp-dir media srvcs, George M. Rogers, Jr.
Vp-grp media dir, Ed Coosaia

The top five domestic auto brand families are listed in the category listings, page 56.

COLUMBUS, OHIO
UPDATE
As of January 1, 1986, *The Columbus Dispatch* became a morning newspaper delivered everyday and Sunday into a marketplace of more than one million [illegible]
Reach 57% of the Columbus MSA Adults with the daily *Dispatch*
A super 79% on Sunday
For More . . . call 614-461-[illegible],
[illegible]
The Columbus Dispatch
Morning and Sunday
[illegible]

59. FORD TEMPO CAR
Ford Motor Co.

	Media investments 1985	1984
Magazines	$10,165,000	$ 8,260,000
Natl. Sun. mags.	—	—
Network tv	17,676,000	17,377,000
Spot tv	1,179,000	2,137,000
Network radio	—	—
Outdoor	55,000	359,000
Network cable	425,000	No data
Newspapers	70,000	330,000
Total	**$29,570,000**	**$28,463,000**

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, R. J. Gillooly (cars)
Media mgr, Dick Halseth
Adv-sls prom, A. Pridgeon
Agency: J. Walter Thompson, Detroit, MI
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Donald A. Coleman
Vp-acct supr, Freida Curry
Asst acct exec, Leroy Kemp

60. AT&T INTERNATIONAL LONG DISTANCE SERVICE
AT&T Communications

	Media investments 1985	1984
Magazines	$ 9,482,000	$3,998,000
Natl. Sun. mags.	257,000	117,000
Network tv	—	511,000
Spot tv	14,794,000	6,447,000
Network radio	—	—
Outdoor	—	—
Network cable	444,000	No data
Newspapers*	4,326,000	1,693,000
Total	**$29,303,000**	**$12,766,000**

*M&MD estimates

Marketing/brand management:
Adv dir, K. M. Armstrong
District mgrs: J. Kleban, S. Block, J. Woodall
Agency: Young & Rubicam, N.Y.
Sr vp-grp dir, M. Lowenstein
Sr vp-mgmt supr, M. Linder
Sr vp-asst dir plng, G. Sharpe

61. AMERICAN FAMILY MAIL-ORDER PROMOTIONS

National Syndications, Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	$28,735,000	$14,168,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	—	—
Network cable	—	No data
Newspapers	42,000	63,000
Total	**$28,777,000**	**$14,231,000**

Marketing/brand management:
Vp mktg, Jess Joseph
Pres, Bud Pironti
Parent: National Paragon
Agency: In-house
Media coor, Andrea DiMaggio

62. MARLBORO & MARLBORO LIGHT 25s CIGARETTES

[multi-product ads]

Philip Morris U.S.A.

	Media investments	
	1985	1984
Magazines	$14,336,000	$ 879,000
Natl. Sun. mags.	2,606,000	139,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	126,000	12,000
Network cable	—	No data
Newspapers*	11,637,000	1,317,000
Total	**$28,705,000**	**$2,347,000**

*M&MD estimates

Marketing/brand management:
Grp dir brand mgmt, Robert Roper
Grp brand mgr, Richard Stirlin
Brand mgr, Nancy Brennan
Vp media, James L. Thompson Jr.
Agency: Leo Burnett, Chicago
Sr vp-acct dir, Jim Oates
Vp-acct dir, Peter Volz
Acct supr, Paul Driggs
Exec vp media srvcs div, Willard Hadlock
Vp-media dir, Bob Houghtlin

63. MATTEL TOYS

Mattel, Inc.

(Not including specific ads for Mattel games, dolls, etc.)

	Media investments	
	1985	1984
Magazines	$ 1,603,000	$ 1,637,000
Natl. Sun. mags.	—	—
Network tv	13,930,000	15,454,000
Spot tv	11,906,000	6,723,000
Network radio	—	—
Outdoor	—	184,000
Network cable	1,079,000	No data
Newspapers*	77,000	887,000
Total	**$28,595,000**	**$24,885,000**

*M&MD estimates

Marketing/brand management:
Exec vp mktg, Joe F. Morrison
Vp entertainment, John Weems
Dir adv srvcs, James G. King
Agency: Ogilvy & Mather, N.Y.
Vp-mgmt supr, Freddie Bee
Sr vp-media dir, Ron Reilly
Vp-assoc media dir, Tom Coughlin
Asst media dir, Rena Sonshine

64. COLGATE REGULAR & GEL TOOTHPASTE

[joint product ads]

Colgate-Palmolive Co.

	Media investments	
	1985	1984
Magazines	$ 2,430,000	$ 1,539,000
Natl. Sun. mags.	86,000	87,000
Network tv	20,202,000	18,140,000
Spot tv	4,993,000	5,870,000
Network radio	—	—
Outdoor	—	—
Network cable	623,000	No data
Newspapers	122,000	80,000
Total	**$28,456,000**	**$25,716,000**

Marketing/brand management:
Vp-gm, A. C. Shepard
Vp-dir mktg, R. E. Blanchard
Category mgr (oral care), Lois Deming
Sr prod mgr, Jack Haber
Corp dir media, Roger Godbeer
Mgr media plns, Steve Freilich
Agency: Young & Rubicam, N.Y.
Vp plng-grp supr, Sue Chamberlin

Alphabetical index appears on page 55.

65. NUPRIN PAIN RELIEVER

Bristol-Myers Co.

	Media investments	
	1985	1984
Magazines	$ 3,505,000	$ 3,663,000
Natl. Sun. mags.	65,000	281,000
Network tv	22,162,000	15,552,000
Spot tv	1,815,000	470,000
Network radio	—	—
Outdoor	—	—
Network cable	875,000	No data
Newspapers	32,000	649,000
Total	**$28,454,000**	**$20,615,000**

Marketing/brand management:
Sr vp sls & mktg, Steven Bear
Grp prod mgr, Steve Lang
Mktg dir, Beth Culligan
Agency: Grey, New York
Sr vp, Theodore H. Lieberman
Exec vp media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

66. FEDERAL EXPRESS AIR CARGO

Federal Express Corp.

	Media investments	
	1985	1984
Magazines	$ 1,907,000	$ 826,000
Natl. Sun. mags.	—	—
Network tv	16,605,000	15,105,000
Spot tv	6,428,000	3,547,000
Network radio	—	—
Outdoor	—	—
Network cable	173,000	No data
Newspapers	3,258,000	3,587,000
Total	**$28,371,000**	**$23,065,000**

Marketing/brand management:
Sr vp-mktg/cust srvcs admin, Carole A. Presley
Vp mktg, T. Michael Glenn
Corp mktg dir, Gayle M. Christensen
Mktg dir (Express Product), Richard M. Metzler
Corp adv mgr, Nancy L. Altenburg
Agency: Ally & Gargano, N.Y.
Chmn-pres, Amil Gargano
Sr vp-mgmt supr, Dennis Visich
Vp-mgmt supr, Dennis Glennon
Vp-assoc med dir, Hal Zwick
Media dir, Tom Szczepanski
Acct supr, Mark Hurst
Acct exec, Hugh McCloy

67. RED LOBSTER RESTAURANTS

Red Lobaster Inns of America

	Media investments 1985	Media investments 1984
Magazines	$ 372,000	$ 149,000
Natl. Sun. mags.	—	6,000
Network tv	12,883,000	13,592,000
Spot tv	14,832,000	16,155,000
Network radio	—	46,000
Outdoor	200,000	219,000
Network cable	—	No data
Newspapers	No data	No data
Total	**$28,287,000**	**$30,167,000**

Marketing/brand management:
Vp adv & merch, Charles Tate
Natl adv mgr, Rick Weber
Natl media mgr, Leslie Fontenot
Natl fld mktg mgr, Jeff Whitney
Parent: General Mills
Agency: Grey, New York
Exec vp, Stew Hegleman
Sr vp, Warren Fischer
Exec vp media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

68. NUTRASWEET SWEETENER

G.D. Searle & Co.

	Media investments 1985	Media investments 1984
Magazines	$ 1,119,000	$ 3,424,000
Natl. Sun. mags.	—	—
Network tv	26,174,000	19,700,000
Spot tv	703,000	369,000
Network radio	—	25,000
Outdoor	—	2,000
Network cable	262,000	No data
Newspapers	—	—
Total	**$28,258,000**	**$23,520,000**

Marketing/brand management:
Vp mktg, Nile Wendorf
Mktg dir, Art Curtis
Parent: Monsanto
Agency:
Dimensional Marketing, Chicago
Acct suprs: Lee Colpi, Jeff Mantell
Acct execs: Scott Cotherman, Cindy Taliani
Media dir, Susan Bossert

69. MARLBORO REGULAR CIGARETTES

Philip Morris U.S.A.

	Media investments 1985	Media investments 1984
Magazines	$ 4,217,000	$ 4,056,000
Natl. Sun. mags.	—	7,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	19,329,000	9,612,000
Network cable	—	No data
Newspapers	4,324,000	7,768,000
Total	**$27,870,000**	**$21,443,000**

Marketing/brand management:
Grp dir brand mgmt, Robert Roper
Grp brand mgr, Richard Stirlin
Brand mgr, Nancy Brennan
Vp media, James L. Thompson Jr.
Agency: Leo Burnett, Chicago
Sr vp-acct dir, Jim Oates
Vp-acct dir, Peter Volz
Acct supr, Paul Driggs
Exec vp media srvcs div, Willard Hadlock
Vp-media dir, Bob Hougtlin

70. NABISCO COOKIES

Nabisco Brands, Inc.

(Not including separate Fig Newton and Apple Newton advertising)

	Media investments 1985	Media investments 1984
Magazines	$ 2,713,000	$ 1,991,000
Natl. Sun. mags.	22,000	170,000
Network tv	18,255,000	16,104,000
Spot tv	5,010,000	9,659,000
Network radio	—	—
Outdoor	—	—
Network cable	1,097,000	No data
Newspapers	540,000	1,430,000
Total	**$27,637,000**	**$29,354,000**

Marketing/brand management:
Vp mktg, Harry Lees
Mktg dir, Bill Stuart
Grp prod dirs: Norman Vergara, Carol Lewbell Gray
Parent: RJR Nabisco
Agencies: William Esty, N.Y.
(Oreo, Nutter Butter)
Sr vp-mgmt supr, Tom Hayes
Sr vp-media dir, Peter Triolo
Asst media dir, Steven Lederman
DFS-Dorland, New York
(Almost Home, Chips Ahoy, Chewy Chips Ahoy)
Sr vp-grp dir, Ray Caro
Vp-acct supr, Gay Clark
Acct suprs: Andy Gray, Marty Gertler
Acct execs: Brad Kunhardt, Katy Tirpaeck
Sr vp media, Lou Capozzoli
Exec vp-media dir, Allen Banks
Vp-assoc media dir, Lucille Monaco

71. KODAK FILM

Eastman Kodak Co.

	Media investments 1985	Media investments 1984
Magazines	$ 3,886,000	$ 2,852,000
Natl. Sun. mags.	—	—
Network tv	15,373,000	20,766,000
Spot tv	5,298,000	6,255,000
Network radio	806,000	818,000
Outdoor	508,000	990,000
Network cable	1,196,000	No data
Newspapers	493,000	1,133,000
Total	**$27,560,000**	**$32,814,000**

Marketing/brand management:
Vp-gm (photo prod grp), W. J. Prezzano
Vp mktg, Jack Powers
Vp-dir mktg comm srvcs, Michael J. Forte
Dir mktg comm srvcs, Bruce R. Wilson
Agencies: JWT, New York
Sr vp-mgmt dir, Jerry Gottlieb
Sr vp-acct dir, Bonnie Webster
Vp-acct dir, Howard Holder
Sr acct suprs: Mitchell Brooks, Ernest Emerling (intl)
Acct suprs: Warren Milich, Richard O'Leary, Michelle Williams (intl)
Acct reps: Neville Smythe, Diane Wainwright, Sandy Meyers, Jackie Geffke
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Sr vp-dir net neg, John Sisk
Vp-assoc media dirs: David Murphy (plng), Gwyn Kaufman (neg), Bert Peller
Media supr, Vickie Roschen
Rumrill Hoyt, Rochester, N.Y.
(professional, trade)
Ceo, Richard Thomson
Sr vp-dir client srvcs, Donald B. Weber
Sr vp-grp mgr, David A Fisher
Vp-assoc grp mgr, Vicki Lewis
Vp-media dir, William Mackey
Assoc media dir, Don Cramer
Minority agency: Uniworld, N.Y.
Sr vp-grp dir, Herb Kemp
Vp-mgmt supr, Gregory T. Walker
Sr vp media, Sheri Cherot
Assoc media dir, John Harris

72. **KLEENEX HUGGIES DIAPERS**

Kimberly-Clark Corp.

	Media investments 1985	1984
Magazines	$ 1,454,000	$ 1,077,000
Natl. Sun. mags.	—	—
Network tv	23,153,000	21,312,000
Spot tv	2,312,000	2,444,000
Network radio	—	—
Outdoor	—	—
Network cable	121,000	No data
Newspapers	357,000	6,000
Total	**$27,397,000**	**$24,839,000**

Marketing/brand management:
Vp brand mgmt, Richard F. Auchter
Mktg dir, W. Dudley Lehman
Dir adv srvcs, George J. Ker, Jr.
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Cliff Angers
Vp-mgmt supr, David Mechlin
Vp-assoc media dir, Ray Simko
Vp-asst media dir, Barbara Kupersmith

73. **NOW FILTER 100s CIGARETTES**

R.J. Reynolds Tobacco Co.

	Media investments 1985	1984
Magazines	$13,642,000	$15,647,000
Natl. Sun. mags.	4,066,000	2,412,000
Network tv	—	—
Network radio	—	—
Outdoor	—	—
Network cable	—	No data
Newspapers	9,453,000	6,910,000
Total	**$27,161,000**	**$24,969,000**

Marketing/brand management:
Sr vp mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, D. N. Iauco
Brand mgr, K. V. McCaffrey
Dir mktg srvcs, C. T. Baroody
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Creative agency: Leber Katz, N.Y.
Exec vp-dir client srvcs, Robert Hirsch
Vp-acct grp supr, Janice Lee
Acct supr, Erik M. Stokkebye
Acct exec, Elliot J. Galdy

74. **VOLKSWAGEN GOLF CAR**

Volkswagen of America, Inc.

	Media investments 1985	1984
Magazines	$ 3,630,000	$ 3,401,000
Natl. Sun. mags.	—	435,000
Network tv	14,626,000	5,479,000
Spot tv	2,243,000	246,000
Network radio	—	—
Outdoor	1,000	—
Network cable	461,000	No data
Newspapers*	6,081,000	706,000
Total	**$27,042,000**	**$10,027,000**

*M&MD estimates

Marketing/brand management:
VW U.S.:
Vp, James R. Fuller
Mgr-mkt rep, Stuart Hamilton
Dir mktg, Richard Marcy
Mgr adv, William Gelgota
Adv mgr, Gary Grabowski

Agency: Doyle Dane Bernbach, Detroit
Pres, Brian Boller
Sr vp-acct supr, Sal Triano
Sr acct execs: Peter Toundas, Steve Swanson
Vp-acct supr, Ron Rogginger
Sr vp-media dir, Robert Mancini

The Kiwanis Magazine Readers
Business Executives . . . Professionals . . . Community Leaders

Now You Can Meet Them Head On Through The

KIWANIS MAGAZINE SPEAKERS BUREAU

Kiwanis magazine now offers, as a merchandising service to advertisers, access to our readers in the best possible environment — face-to-face, where it counts the most — their own communities.

Your national marketing staff, public relations personnel or others are invited to avail themselves as guest speakers at Kiwanis' community meetings as a complement to advertisements in Kiwanis magazine.

Join Our Charter Participants . . . U.S. Postal Service . . . American Bankers Association . . . American Council of Life Insurance . . . Conoco Inc. . . . American Medical International . . . AMICARE . . . Chang Laboratories, Inc. . . . Endless Vacation Travel . . . Citizens Against Government Waste . . . in presenting valuable programs on financial planning, travel tips, trends & developments in business, whatever your field of expertise.

We Ask Only

1) That there be no solicitation of members as part of any presentation
2) That presentations and programs be provided at no charge to either Kiwanis International or its participating clubs

Take Advantage Of A Unique Opportunity

Pass your or your organization's message on to our members — Personally

Call or write today for more information

Pat Hatcher, Advertising Director
Kiwanis Magazine
3636 Woodview Trace
Indianapolis, IN 46268
(317) 875-8755

75. DODGE LOCAL DEALERS

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$14,738.000	$15,5450,000
Network radio	—	—
Outdoor	849,000	465,000
Network cable	—	No data
Newspapers	11,450,000	12,340,000
Total	**$27,037,000**	**$28,255,000**

Marketing/brand management:
Chrysler Corp:
Vp mktg, Joseph A. Campana
Gen mktg mgr, John B. Damoose
Natl adv mgr, Arthur C. Kesteloot
Adv mgrs: Michael O'Malley (cars), William Tracey (trucks)
Agencies: Various

76. MCI CONSUMER LONG DISTANCE

MCI Communications Corp.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$25,665,000	$26,513,000
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers*	1,145,000	2,583,000
Total	**$26,810,000**	**$29,096,000**

*M&MD

Marketing/brand management:
Sr vp corp affairs, Howard Crane
VP adv, Judy Ranzer
Adv dir, Ann Weeks
Agency: D'Arcy Masius Benton & Bowles, New York
Sr vp-grp dir, Richard Hopple
Vp-acct supr, Nathan Stein
Acct execs: Alan Bosworth, Ken Kahn
Sr vp media, Richard Hamilton
Media dir, Mark McLaughlin
Asst media dir, Scott Murphy
Media plnr, Noreen Delaney

AT&T has seven entries in the Top 200.

77. LONG JOHN SILVER'S RESTAURANTS

Jerrico, Inc.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$26,304,000	$19,643,000
Network radio	—	—
Outdoor	278,000	105,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$26,582,000**	**$19,748,000**

Marketing/brand management:
Exec vp mktg, Anthony M. Lavely
Vp prod mktg, Donald A. Metznik
Prod mktg dirs: Edward C. Binzel, Lee F. Hardy
Vp fld mktg, George K. Antonini
Agencies: Abbott Advertising, Lexington, Ky.
(in-house)
Vp-gm, David M. Miller
Vp media, Harvey Hirsch
Sr media mgr, Joan Knox
Foote, Cone & Belding, Chicago
Sr vp-dir media, Fred Wray
Vp-acct dir, Mark Pacchini
Acct exec, Jeff Harmet
Media dir, Bruce Smith
Grp mgmt supr, Mitch Engel

78. TWA PASSENGER SERVICE

Transworld Airlines, Inc.

	Media investments 1985	1984
Magazines	$ 7,430,000	$ 5,144,000
Natl. Sun. mags.	732,000	611,000
Network tv	—	—
Spot tv	9,478,000	12,095,000
Network radio	—	810,000
Outdoor	228,000	310,000
Network cable	125,000	(No data)
Newspapers	8,190,000	21,424,000
Total	**$26,183,000**	**$40,394,000**

Marketing/brand management:
Vp passenger mktg, Tim Brier
Dir adv, Tracy Britten
Agency: Young & Rubicam, N.Y.
Media grp supr, Joe Mannix
Media supr, Gary Kagawa
Sr plnrs: John Stumpfig, John Donnelly
Plnrs: Sara Barrack, Michael Berg

79. TOYOTA CARS & TRUCKS (multi-product ads)

Toyota Motor Sales U.S.A., Inc.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 458,000	—
Spot tv	23,332,000	$14,921,000
Network radio	—	—
Outdoor	281,000	80,000
Network cable	255,000	(No data)
Newspapers*	1,778,000	2,097,000
Total	**$26,104,000**	**$17,098,000**

*M&MD estimates

Marketing/brand management:
Vp-mktg dir, George Borst
Brand mgmt, Charles Valentine
Brand mgrs: Dave Danzer (cars), Jan Thompson (trucks)
Agency: DFS Dorland Worldwide/ S. Calif. (Torrance)
Sr vp-grp dir, Joe Chanin
Vp-grp acct suprs: Warren Benjamin, Ray Damiano, Scott Gilbert (trucks only)
Acct suprs: Dave Doyce, John Russell, John Upton (trucks only)
Acct execs: John Bucci, Kathy Moylan (trucks only), Linda Malley, Steve Jett
Sr vp media, Richard Weigand
Sr vp-media dir, Nora Lapham
Assoc med dir, Katherine Galicich

80. CHRYSLER LeBARON CAR

Chrysler Corp.

	Media investments 1985	1984
Magazines	$ 8,682,000	$2,927,000
Natl. Sun. mags.	154,000	28,000
Network tv	12,469,000	4,672,000
Spot tv	2,810,000	704,000
Network radio	—	—
Outdoor	1,233,000	3,000
Network cable	382,000	(No data)
Newspapers	264,000	29,000
Total	**$25,994,000**	**$8,363,000**

Marketing/brand management:
Vp-mktg, J. A. Campana
Gen mktg mgr, AC. Liebler
Natl adv mgr, M. V. Howe
Adv mgrs: G. C. Hunt, R. S. Zarowitz (fwd plng), J. M. Casola (dealer)
Agency: B, J, K & E, Detroit
Exec vp-gm, George F. Beech
Sr vp-mgmt suprs: L. Vernon, J. P.

Hickey (dealer assn)
Vp-acct supr, J. A. Jacobs
Sr vp-media dir, P. D. Matz
Sr vp-dir media plng, E. E. Kruger
Vp-corp media cont dir, S. Kulczycki
Acct execs: N. Sparrer, G. Burkhardt
Merchandising agency: Ross Roy, Detroit
Exec vp, Richard C. Ward
Sr vp, J. V. Vehko
Sr vp-gm (Ross Roy Prods), R. J. Oliver
Vp-grp acct suprs: D. F. Baldwin, T. W. Kemper, J. A. Sanfilippo, D. C. Scheich
Vp-acct suprs: G. T. Abdullah, C. L. Reid, R. B. Smith, M. P. Webster, R. H. West
Sr vp-media dir, G. N. M. Moody

81. HONDA ACCORD CAR
American Honda Motor Co., Inc.

	Media investments 1985	1984
Magazines	$ 8,355,000	$ 2,251,000
Natl. Sun. mags.	140,000	110,000
Network tv	15,518,000	7,086,000
Spot tv	369,000	694,000
Network radio	798,000	641,000
Outdoor	7,000	7,000
Network cable	477,000	(No data)
Newspapers*	245,000	211,000
Total	**$25,909,000**	**$11,000,000**

*M&MD estimates

Marketing/brand management:
Exec vp, Cliff Schmillen
Sr vp fld sls, Bill Myer
Sr vp sls oper, Tom Elliott
Natl adv mgr, Eric Conn
Asst natl adv mgr, Mike Dillon
Agency: Needham Harper, L.A.
Sr vp-mgmt rep, William C. Hagelstein
Vp-acct dir, Chuck Valentine
Acct suprs: Ron Boyd, Julie Boston, Joan Egan
Vp-assoc media dir, Stanley Botello

82. AQUA-FRESH TOOTHPASTE
Beecham Products Div.-U.S.

	Media investments 1985	1984
Magazines	—	$ 707,000
Natl. Sun. mags.	—	—
Network tv	$21,735,000	20,999,000
Spot tv	4,046,000	1,258,000
Network radio	—	—
Outdoor	—	—
Network cable	9,000	(No data)
Newspapers	—	17,000
Total	**$25,790,000**	**$22,981,000**

Marketing/brand management:
Vp mktg, R. Snell
Media dir, Philip Branch
Agency: Grey, New York
Sr vp-acct mgmt, Robert Burruss
Exec vp-dir media & prog, Alec Gerster
Vp-assoc media dir, Jack Jadick

83. SNICKERS CANDY BAR
M&M/Mars

	Media investments 1985	1984
Magazines	$ 1,655,000	$ 568,000
Natl. Sun. mags.	—	—
Network tv	14,319,000	12,650,000
Spot tv	6,365,000	4,461,000
Network radio	1,909,000	479,000
Outdoor	—	—
Network cable	1,492,000	(No data)
Newspapers*	39,000	42,000
Total	**$25,779,000**	**$18,200,000**

*M&MD estimates

Marketing/brand management:
Pres, Howard Walker
Sr vp, J. Langdon
Agency: Ted Bates, New York
Sr vp-mgmt rep, Pam Marcus
Vp-acct supr, Martha Eidman
Acct exec, Amy Baren
Sr vp-media dir, Barry Kaplan
Assoc media dir, Ruth Park-Sarlin

Nineteen truck and auto models are included in this ranking, representing 11 brand names.

84. TYLENOL REGULAR & EXTRA STRENGTH PAIN RELIEVER
(Joint product ads)
McNeil Consumer Products

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$22,248,000	$20,937,000
Spot tv	2,003,000	1,180,000
Network radio	431,000	—
Outdoor	—	—
Network cable	914,000	(No data)
Newspapers	—	—
Total	**$25,596,000**	**$22,117,000**

Marketing/brand management:
Vp mktg, Chandler D. Simonds
Dir prod mgmt, R. E. Whittaker
Group prod dir, Sal J. Uglietta
Prod dir, Brian D. Perkins
Asst prod dirs: R. L. Fugate, D. M. Casey, D. T. Moore
Parent: Johnson & Johnson
Agency: Saatchi & Saatchi, N.Y.
Sr vp-grp dir, Thomas Lom
Vp-acct supr, Patrick Furey
Acct exec, Kent Roman
Asst acct exec, Allison Glerum
Sr vp-media grp dir, Carol Karasick
Assoc media dir, Marcie Kazdin
Media supr, Charlie Greenberg
Media plnr, Jill Eisgrau

85. EVEREADY ENERGIZER BATTERIES
Union Carbide Corp.

	Media investments 1985	1984
Magazines	$ 89,000	$ 80,000
Natl. Sun. mags.	—	128,000
Network tv	23,798,000	18,941,000
Spot tv	53,000	173,000
Network radio	1,060,000	—
Outdoor	—	—
Network cable	252,000	(No data)
Newspapers*	85,000	1,471,000
Total	**$25,337,000**	**$20,793,000**

*M&MD estimates

Marketing/brand management:
Mktg mgr, G. D. Klein
Adv mgr, Douglas Orr
Agency: William Esty, N.Y.
Sr vp-acct dir, Harold J. Greer
Sr vp-mgmt supr, Kenneth C. Hite
Vp-acct supr, Whitney L. Beebe
Acct execs: Donald F. Gahan, John

E. Owen
Sr vp-media dir, Peter Triolo
Assoc media dir, Patricia Reilly
Media supr, Karen Bensen

86. STERLING SPECIAL BLEND FILTER CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments 1985	1984
Magazines	$13,375,000	$28,921,000
Natl. Sun. mags.	3,454,000	6,758,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	3,206,000	3,361,000
Network cable	—	(No data)
Newspapers	5,053,000	10,556,000
Total	**$25,088,000**	**$49,596,000**

Marketing/brand management:
Sr vp mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, D. N. Iauco
Brand mgr, K. V. McCaffrey
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Creative agency:
Tatham Laird & Kudner, Chicago
Sr ptnr-acct mgmt, Robert Hielscher
Mgmt supr, James Hill

87. IBM CORPORATE

International Business Machines Corp.

	Media investments 1985	1984
Magazines	$ 6,083,000	$ 6,369,000
Natl. Sun. mags.	498,000	311,000
Network tv	17,384,000	15,788,000
Spot tv	682,000	275,000
Network radio	—	—
Outdoor	—	1,000
Network cable	124,000	(No data)
Newspapers	314,000	5,000
Total	**$25,085,000**	**$22,749,000**

Marketing/brand management:
Dir adv, C. G. Francis
Dir adv oper, J. F. King
Dir adv pgms, W. P. Barton
Mgr tv adv, M. C. Gury
Mgr print adv, R. W. W. Baker
Mgr tv prom, E. Wyatt
Agency: Lord, Geller, Federico, Einstein, N.Y.
Sr vp-acct dir, Bill Wardell

88. MICHELOB LIGHT BEER

Anheuser-Busch, Inc.

	Media investments 1985	1984
Magazines	$ 2,097,000	$ 398,000
Natl. Sun. mags.	—	—
Network tv	14,392,000	20,375,000
Spot tv	6,775,000	3,036,000
Network radio	136,000	613,000
Outdoor	73,000	11,000
Network cable	1,500,000	(No data)
Newspapers	5,000	46,000
Total	**$24,978,000**	**$24,479,000**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, David C. Drew
Sr prod mgr, James Sebo
Agency: Needham Harper, Chicago
Acct supr, Peter Kuntz
Sr vp-mgmt rep, Don Richards
Acct exec, Senn Moses
Asst acct exec, Beth Kennedy
Vp-grp acct dir, Ron Bess
Vp-assoc media dir, Gary Mueller
Media supr, Tim Kopaczewski

89. KROGER FOOD STORES

The Kroger Co.

	Media investments 1985	1984
Magazines	$ 56,000	$ 6,000
Natl. Sun. mags.	—	—
Network tv	9,000	—
Spot tv	24,352,000	20,455,000
Network radio	—	—
Outdoor	533,000	222,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$24,950,000**	**$20,683,000**

Marketing/brand management:
VP adv, Dick Owens
Mgr Kroger Mktg Area sls, Greg Klausing
Agency: Campbell-Mithun, Chicago
Sr vp-mgmt supr, Jon Wylie
Vp-assoc media dir, Janet Bak

Six corporate campaigns are in the Top 200.

90. K MART MISCELLANEOUS BRANDS

[multi-product ads not fitting in other LNA categories]

K Mart Corp.

	Media investments 1985	1984
Magazines	$ 5,234,000	$ 8,682,000
Natl. Sun. mags.	—	—
Network tv	11,231,000	7,278,000
Spot tv	4,704,000	4,033,000
Network radio	3,423,000	—
Outdoor	44,000	171,000
Network cable	101,000	(No data)
Newspapers	(No data)	(No data)
Total	**$24,737,000**	**$20,164,000**

Marketing/brand management:
Vp store plng, R. R. Dejaeghere
Vp sls & mktg, J. L. Moser
Dir mktg, C. P. Rampi
Dir crtv adv, B. Di Bartolomeo
Agency: Ross Roy, Detroit
Exec vp-retl oper, Peter Vetowich
Exec vp-dir crtv adv, Jack Frakes
Sr vp-grp acct supr, Byron Shaffer
Vp-grp acct supr, Roger Sherman
Sr vp mktg srvcs, Gerald Moody
Vp-grp media dirs: Alfred A. Duz (print), Patricia Cuda (bdcst)
Media plnr, Sandy Kotlarz

91. PENNEY'S MISCELLANEOUS BRANDS

[multi-product ads not fitting into other LNA categories]

J.C. Penney Co., Inc.

	Media investments 1985	1984
Magazines	$ 97,000	$ 71,000
Natl. Sun. mags.	9,000	—
Network tv	19,614,000	11,868,000
Spot tv	4,498,000	2,030,000
Network radio	—	—
Outdoor	91,000	53,000
Network cable	155,000	(No data)
Newspapers	(No data)	(No data)
Total	**$24,464,000**	**$14,022,000**

Marketing/brand management:
Vp-dir corp mktg, J. Wells
Mgr mktg comm, William Ferguson
Mgr media srvcs, James F. Boynton
Natl media plnr, Dave Wood
Adv mgr, Edward Hayward
Catalog Division:
Sr vp-dir, Rod Birkins
Dir cat mdsg, Julius Debbs
Mgr cat mktg, Demos Zacharia
Dir cat adv & pubs, William Kelly

Agency: NW Ayer, New York
Retail:
Sr vp-mgmt supr, Charles Meding
Vp-acct suprs: Meryl Nierman, R. C. Morrison
Sr vp-grp media dir, A. Brivic
Vp-assoc media dir, R. Alcott

92. DOWNY FABRIC SOFTENER

The Procter & Gamble Co.

	Media investments 1985	Media investments 1984
Magazines	$ 1,327,000	—
Natl. Sun. mags.	—	—
Network tv	13,971,000	$15,887,000
Spot tv	8,316,000	3,687,000
Network radio	—	—
Outdoor	—	—
Network cable	765,000	(No data)
Newspapers	—	33,000
Total	**$24,378,000**	**$19,607,000**

Marketing/brand management:
Div mgr, C. C. Carroll
Adv mgr, R. H. Van Wagener
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Grey, New York
Exec vp, Neil Kreisberg
Mgmt supr, Ken Levy
Acct supr, David Freilicher
Exec vp-media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

93. COLECO TOYS

Coleco Industries, Inc.
(Not including ads solely for Cabbage Patch Kids)

	Media investments 1985	Media investments 1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	$ 300,000
Spot tv	$24,060,000	5,896,000
Network radio	—	—
Outdoor	103,000	—
Network cable	2,000	(No data)
Newspapers	198,000	—
Total	**$24,363,000**	**$6,196,000**

Marketing/brand management:
Exec vp mktg, Al Kahn
Sr vp-mktg brand mgmt, Bob Jackman
Vp-brand mgrs: Bob Rao, Stan Clutton
Dirs mktg: Larry Passic (outdoor prod), Gene Murtha (electronics)
Dir adv, Sy Gershberg
Agency: Richard & Edwards, N.Y.
Pres-grp dir, Richard Schwartzchild
Acct supr, Bob Sara
Sr vp media, Shelly Hirsch
Media dir, Tom Horner

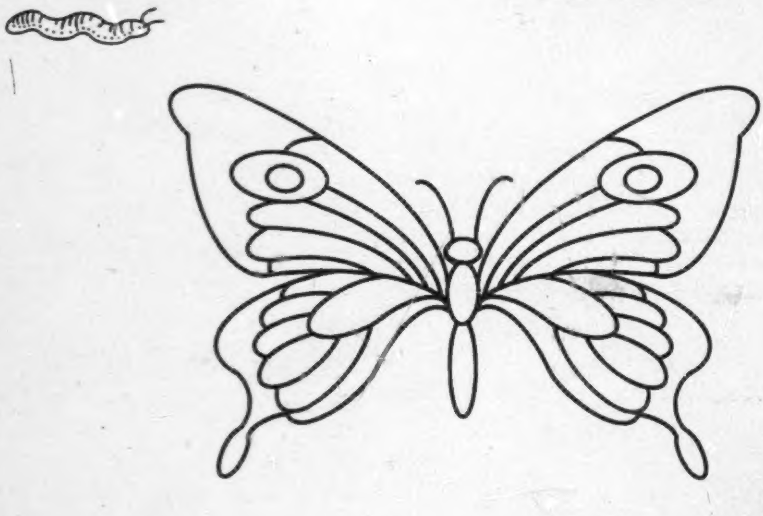
94. DE BEERS DIAMONDS

De Beers Con. Mines

	Media investments 1985	Media investments 1984
Magazines	$13,928,000	$12,513,000
Natl. Sun. mags.	69,000	—
Network tv	9,579,000	9,142,000
Spot tv	460,000	1,412,000
Network radio	—	—
Outdoor	—	—
Network cable	32,000	(No data)
Newspapers	—	—
Total	**$24,068,000**	**$23,067,000**

Agency: NW Ayer, New York

IF THIS IS
YOUR VIEW OF
DAYTON, OHIO



LOOK
AGAIN

We've evolved beautifully. Dayton is high-tech. Dayton is high-income. And Dayton reads Dayton newspapers. Catch hold of our high-flying market—678,000 adults, 18,000 scientists and engineers,* and a newspaper reach of 79% of $25,000 + annual income households.** Ask your media people to net Dayton for you. It's a beauty.

*1983, Ohio Data Users Center;
**Dayton only, 1984 Paragon Survey.

DAYTON
DAYTON/SPRINGFIELD NEWSPAPERS
Represented nationally by Sawyer-Ferguson-Walker, Inc.

Exec vp-exec acct dir, George H. Eversman
Sr vp-mgmt supr, Judy Laughren
Acct supr, Mark Capra
Vp-grp media dir, David Lehmkuhl
Assoc media dir, Andrea Fields
Asst media dir, Jean Connolly
Media supr, Amy Seltzer

95. DODGE LANCER CAR
Chrysler Corp.

	Media investments 1985	1984
Magazines	$ 7,402,000	$1,114,000
Natl. Sun. mags.	123,000	—
Network tv	12,773,000	2,990,000
Spot tv	2,289,000	215,000
Network radio	—	—
Outdoor	56,000	246,000
Network cable	1,208,000	(No data)
Newspapers	159,000	—
Total	**$24,010,000**	**$4,565,000**

Marketing/brand management:
Vp mktg, Joseph A. Campana
Gen mktg mgr, John B. Damoose
Natl adv mgr, Arthur C. Kesteloot
Adv mgr, Michael O'Malley
Agency: BBDO, Detroit
Exec vp-gm, William Kelly
Sr vp-grp mgmt supr, William A. Oswald
Sr vp-mgmt supr, Terry Grusche
Vp-acct supr, Gordon Berg
Vp-mgmt supr, Michael Graham
Sr vp-exec media dir, Eugene J. McCarthy
Vp-media dir, Theodore Zahrfeld

96. CANON COPIERS
Canon U.S.A., Inc.

	Media investments 1985	1984
Magazines	$ 5,964,000	$ 5,844,000
Natl. Sun. mags.	—	—
Network tv	15,307,000	17,589,000
Spot tv	527,000	725,000
Network radio	900,000	2,050,000
Outdoor	44,000	20,000
Network cable	336,000	(No data)
Newspapers	927,000	508,000
Total	**$24,005,000**	**$26,736,000**

Marketing/brand management:
Adv mgr, K. Kikuchi
Agency: DYR, New York
Vp-dir media srvcs, Steve Nastelberg
Media grp supr, Bill Melnick
Sr media plnr, Morey Epstein
Media plnr, Alicia Wisepart

97. M&M'S CANDIES
M&M/Mars

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$17,368,000	$10,946,000
Spot tv	2,399,000	3,173,000
Network radio	867,000	—
Outdoor	—	106,000
Cable network	3,252,000	(No data)
Newspapers*	37,000	34,000
Total	**$23,923,000**	**$14,259,000**

*M&MD estimates

Marketing/brand management:
Pres, Howard Walker
Sr vp, J. Langdon
Agency: Ted Bates, New York
Sr vp-mgmt rep, Alice Uniman
Sr vp-media dir, Barry Kaplan
Media supr, Liz Solomon

98. GTE CORPORATE
GTE Corp.

	Media investments 1985	1984
Magazines	$ 5,686,000	$ 4,837,000
Natl. Sun. mags.	—	—
Network tv	8,041,000	7,898,000
Spot tv	3,601,000	2,297,000
Network radio	—	—
Outdoor	—	—
Network cable	169,000	(No data)
Newspapers*	6,942,000	6,743,000
Total	**$23,919,000**	**$21,775,000**

*M&MD estimates

Marketing/brand management:
Vp-corp comm, Edward C. MacEwen
Dir pub affairs, Phil Stevens
Agency: Doyle Dane Bernbach, New York
Exec vp, Larry Iannuzzeli
Grp sr vp, Denis Crosley
Vp-acct suprs: Joe Belle Isle, Nancy Bretl
Acct supr, Ann Davies
Acct exec, Ray Albergotti
Vp-media plng dir, George Huelser
Vp-assoc media plng dir, Davis Stewart

99. TIDE POWDER DETERGENT
The Procter & Gamble Co.

	Media investments 1985	1984
Magazines	$ 2,761,000	$ 1,036,000
Natl. Sun. mags.	—	—
Network tv	9,886,000	8,895,000
Spot tv	9,912,000	5,377,000
Network radio	—	—
Outdoor	26,000	—
Network cable	590,000	(No data)
Newspapers	272,000	15,000
Total	**$23,447,000**	**$15,323,000**

Marketing/brand management:
Div mgr, B. L. Byrnes
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Saatchi & Saatchi, N.Y.
Sr vp-mgmt dir, Paula Forman
Sr vp-mgmt supr, Jeffrey Zeiler
Acct supr, Lynn Ghitelman
Acct exec, William Harnew
Sr vp-media dir, Steve Fajen
Sr vp-dir P&G plng, Robert Pape
Vp-assoc media dir, Sande Pisik
Media supr, Robert Zen
Sr plnr, Ellen Polakoff

100. CAMEL FILTER CIGARETTES
R.J. Reynolds Tobacco Co.

	Media investments 1985	1984
Magazines	$ 5,707,000	$ 2,970,000
Natl. Sun. mags.	—	828,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	16,348,000	8,792,000
Network cable	—	No data
Newspapers	1,358,000	3,032,000
Total	**$23,413,000**	**$15,622,000**

Marketing/brand management:
Sr vp mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, D. N. Iauco
Sr brand mgr, R. T. Caufield
Dir media, Dan Pearson

Grp mgr media admin, R. E. Neal
Creative agency:
McCann-Erickson, N.Y.
Exec vp, Edward G. A. Bathon
Sr vp-mgmt reps: Simon M. Marlow (U.S.), Stewart P. Brown (intl)

101. CHEVROLET CAVALIER

Chevrolet Motors Division

	Media investments	
	1985	1984
Magazines	$ 2,247,000	$ 3,164,000
Natl. Sun. mags.	—	—
Network tv	16,082,000	16,996,000
Spot tv	5,064,000	1,098,000
Network radio	40,000	36,000
Outdoor	25,000	292,000
Network cable	344,000	No data
Newspapers	130,000	10,000
Total	**$23,932,000**	**$21,596,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, William J. Tausch
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, Ronald D. Geskey
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Jack Martin, Barb Munro, Jack Winkleseth

102. AT&T TELEPHONES

AT&T Consumer Products Division

	Media investments	
	1985	1984
Magazines	$ 2,652,000	$ 1,034,000
Natl. Sun. mags.	415,000	856,000
Network tv	14,181,000	12,511,000
Spot tv	469,000	909,000
Network radio	621,000	—
Outdoor	6,000	—
Network cable	—	No data
Newspapers	4,992,000	3,174,000
Total	**$23,336,000**	**$18,484,000**

Marketing/brand management:
Div mgr, A. L. Blitch
Agency: NW Ayer, New York
Sr vp-exec acct dir, R. Salevouris
Sr vp-mgmt supr, L. Rubin
Sr vp-grp media dir, J. Twyon
Vp-assoc media dir, G. Ortiz

103. VOLKSWAGEN JETTA CAR

Volkswagen of America, Inc.

	Media investments	
	1985	1984
Magazines	$ 8,266,000	$ 6,440,000
Natl. Sun. mags.	—	56,000
Network tv	8,764,000	7,060,000
Spot tv	760,000	779,000
Network radio	—	—
Outdoor	2,000	317,000
Network cable	30,000	(No data)
Newspapers*	5,507,000	1,060,000
Total	**$23,329,000**	**$15,712,000**

*M&MD estimates

Marketing/brand management:
VW U.S.:
Vp, James R. Fuller
Mgr-mkt rep, Stuart Hamilton
Dir mktg, Richard Marcy
Mgr adv, William Gelgota
Adv mgr, Gary Grabowski
Agency: Doyle Dane Bernbach, Detroit
Pres, Brian Boller
Sr vp-acct supr, Sal Triano
Sr acct execs: Peter Toundas, Steve Swanson
Vp-acct supr, Ron Rogginger
Sr vp-media dir, Robert Mancini

104. DENNY'S RESTAURANTS

Denny's, Inc.

	Media investments	
	1985	1984
Magazines	$ 52,000	—
Natl. Sun. mags.	—	—
Network tv	10,508,000	$15,267,000
Spot tv	12,466,000	3,619,000
Network radio	25,000	63,000
Outdoor	126,000	149,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$23,177,000**	**$19,098,000**

Marketing/brand management:
Sr vp mktg, Barry Krantz
Vp mktg, Keith Frohreich
Dir fld mktg, Susan Henderson
Pres restaurant div, David Bixler
Pres-ceo, Ron Curtis
Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Larry Jones
Acct exec (natl), Keith Kaplan
Asst acct exec (fld mktg & spcl concepts), Alice Gold
Mgmt dir, Fred Walpi

105. BUICK DEALERS ASSOCIATIONS

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	$17,649,000	$13,710,000
Network radio	2,000	—
Outdoor	462,000	—
Network cable	—	(No data)
Newspapers	4,955,000	2,158,000
Total	**$23,068,000**	**$15,868,000**

Marketing/brand management:
Buick Motor Div., General Motors:
Vp-gm, D. E. Hackworth
Gen sls mgr, W. J. Atkinson
Asst gen sls mgr, R. J. Adams
Dir adv, Harold E. Savage
Agency: McCann-Erickson, Detroit
Exec vp, Gerald C. Atkin
Sr vp-mgmt supr, Jan Starr
Vp-acct suprs: Richard Hill, Hal Randall
Vp-media dir, W. Brien Schweikart

106. CREST TARTAR CONTROL TOOTHPASTE

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 1,686,000	—
Natl. Sun. mags.	—	—
Network tv	16,989,000	—
Spot tv	2,446,000	—
Network radio	—	—
Outdoor	—	—
Network cable	471,000	(No data)
Newspapers	1,169,000	—
Total	**$22,761,000**	—

Marketing/brand management:
Div mgr, C. A. Lieppe
Adv mgr, Rob Malcolm
Assoc adv mgr, John Bedian
Brand mgr, Jon Windham
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III
Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart

Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: D'Arcy Masius Benton & Bowles, New York
Acct dir, Norm Sherman
Acct supr, Debra Dauman
Acct exec, Zena Saunders
Media dir, Rich Hamilton
Assoc media dir, Jeri Dack
Asst media dir, Brian Cauley
Black agency: Burrell, Chicago
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Linda L. Pharr
Acct supr, Fay Ferguson
Vp-media dir, Nick Howse
Sr media plnr, Zeline Kelly

107. BUSCH BEER

Anheuser-Busch, Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$15,658,000	$ 216,000
Spot tv	5,729,000	7,599,000
Network radio	—	—
Outdoor	1,035,000	909,000
Network cable	13,000	(No data)
Newspapers	237,000	714,000
Total	**$22,672,000**	**$9,438,000**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, Dave Morris
Prod mgr, Joe Corcoran
Agency: Needham Harper, Chicago
Sr vp-mgmt rep, Don Richards
Sr vp-grp acct dir, Ron Bess
Vp-acct supr, Bob Lachky
Acct exec, Mike Holsinger
Asst acct exec, Glen Schorr
Media dir, Steve Felt
Media supr, Dave Wilcox
Media plnr, Betsy Fox
Asst media plnr, Mary Beth Sullivan

There are 14 beers in the Top 200, including four lights.

108. POLAROID CAMERAS

Polaroid Corp.

(Not including ads solely for Sonar Autofocus)

	Media investments	
	1985	1984
Magazines	$ 838,000	$ 2,036,000
Natl. Sun. mags.	—	—
Network tv	18,979,000	8,761,000
Spot tv	2,138,000	638,000
Network radio	—	—
Outdoor	—	—
Network cable	311,000	(No data)
Newspapers	217,000	454,000
Total	**$22,483,000**	**$11,889,000**

Marketing/brand management:
Acting vp adv, Frank Nolan
Grp vp mktg, Joseph J. McLaughlin
Adv mgr, Grant Schneider
Asst adv mgr, Diane Coron
Vp-pres North Amer mktg oper, Peter Eichorn
Div vp sls, Brian O'Connor
Agency: BBDO, New York
Exec vp-sr mgmt rep, Jack Thorne
Vp-mgmt supr, Lonny Strum
Vp-acct supr, Bob McGreevy
Acct execs: Lisa Partrick, Mary Petlow

109. POST GRAPE NUTS CEREAL

General Foods Corp

	Media investments	
	1985	1984
Magazines	$ 5,194,000	$ 686,000
Natl. Sun. mags.	335,000	—
Network tv	10,110,000	4,480,000
Spot tv	5,965,000	6,635,000
Network radio	—	—
Outdoor	—	—
Network cable	501,000	(No data)
Newspapers	378,000	52,000
Total	**$22,483,000**	**$11,853,000**

Marketing/brand management:
Vp-gm, D. F. Hurwitt
Mktg mgr, David J. Gustin
Ctgry mgr, Martha Crosby Jacobs
Parent: Philip Morris
The media group includes:
Dir media srvcs, David K. Braun
Assoc dir media srvcs, D. J. Miceli
Mgr local media, Gary Gruneburg
Asst mgr local media, I. Roche
Mgrs plng/buying: Brenda Giuffre (net), Kathy Riordan (print), Jonathan Sims (rsrch)
Media asst, Bobby Asano
Agency: Grey, New York
Sr vp acct mgmt, Malcolm Mace
Exec vp media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

110. DODGE TRUCKS

[multi-product ads]

Chrysler Corp.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$14,601,000	$ 3,959,000
Spot tv	5,023,000	4,140,000
Network radio	1,106,000	43,000
Outdoor	5,000	1,000
Network cable	241,000	(No data)
Newspapers	1,343,000	2,306,000
Total	**$22,319,000**	**$10,449,000**

Marketing/brand management:
Vp mktg, Joseph A. Campana
Gen mktg mgr, John B. Damoose
Natl adv mgr, Arthur C. Kesteloot
Adv mgr, William Tracey
Agency: BBDO, Detroit
Exec vp-gm, William Kelly
Sr vp-grp mgmt supr, William A. Oswald
Acct supr, Cal Moore
Sr acct exec, Tim Miller
Sr vp-exec media dir, Eugene J. McCarthy
Media dir, Joe Caponigro

111. DUNCAN HINES COOKIES

[ready-to-eat]

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 1,880,000	$ 786,000
Natl. Sun. mags.	—	185,000
Network tv	14,321,000	3,772,000
Spot tv	5,903,000	9,148,000
Network radio	—	—
Outdoor	—	—
Network cable	161,000	(No data)
Newspapers	53,000	247,000
Total	**$22,318,000**	**$14,138,000**

Marketing/brand management:
Div mgr, L. D. Milligan
Adv mgr, J. T. Smith
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart

Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Grey, New York
Exec vp, Neil Kreisberg
Mgmt supr, Ken Levy
Exec vp-media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

112. AMTRAK RAIL SYSTEM
National Railroad Passenger Corp.

	Media investments	
	1985	1984
Magazines	$ 3,660,000	$ 3,907,000
Natl. Sun. mags.	2,033,000	1,671,000
Network tv	704,000	—
Spot tv	8,070,000	5,178,000
Network radio	—	6,000
Outdoor	1,084,000	813,000
Network cable	—	(No data)
Newspapers	6,756,000	9,505,000
Total	**$22,307,000**	**$21,080,000**

Marketing/brand management:
Exec vp mktg & bus dev, William Norman
Vp sls & adv, Robert Gall
Dir adv & sls prom, William Castleberry
Agency: Needham Harper, N.Y.
Sr vp-mgmt rep, Roy Lancaster
Vp-grp media dir, Robert Huff

113. MATTEL DOLLS
Mattel, Inc.

	Media investments	
	1985	1984
Magazines	$ 246,000	$ 19,000
Natl. Sun. mags.	—	—
Network tv	15,597,000	11,150,000
Spot tv	5,566,000	4,736,000
Network radio	—	—
Outdoor	—	—
Network cable	818,000	(No data)
Newspapers*	77,000	887,000
Total	**$22,304,000**	**$16,792,000**

*M&MD estimates

Marketing/brand management:
Exec vp mktg, Joe F. Morrison
Vp entertainment, John Weems
Dir adv srvcs, James G. King
Vp mktg (Barbie), Tom Wszalck
Agency: Ogilvy & Mather, N.Y.
Vp-mgmt supr, Freddie Bee
Sr vp-media dir, Ron Reilly
Vp-assoc media dir, Tom Coughlin
Asst media dir, Rena Sonshine

114. SPRITE SOFT DRINK
Coca-Cola USA

	Media investments	
	1985	1984
Magazines	$ 551,000	$ 72,000
Natl. Sun. mags.	—	—
Network tv	12,160,000	15,400,000
Spot tv	8,887,000	7,670,000
Network radio	—	—
Outdoor	126,000	20,000
Network cable	303,000	(No data)
Newspapers	217,000	166,000
Total	**$22,244,000**	**$23,328,000**

Marketing/brand management:
Vp mktg, Sergio Zyman
Grp mktg dir, Patrick Garner
Brand mgr, Mark Kaplan
Assoc brand mgr, Bob Solomon
Vp-worldwide media dir, William H. Lynn
Corp media mgr, Terri Buckland
Agency: Lowe Marschalk, N.Y.
Mgmt supr, Joe DePreta
Exec vp-grp dir, Eric Einhorn
Vp-acct supr, Rob Petersen
Acct exec, Susan Gold
Asst acct exec, Cameron Foster
Sr vp media, Stephen M. Segal
Vp-assoc media dir, Christina O. Brodie
Media grp hd, Reg Ungberg
Media supr, Lisa Raduazzo
Media plnrs: Pam Edelstein, Robert Ross, Steve Bohlinger
Black agency: Burrell, Atlanta
Sr vp-gm (Atlanta), William Sharp
Acct exec, Raynard Hall
Vp-media dir, Nick Howse
Media supr, Michelle Garner

115. ANACIN
REGULAR TABLETS & CAPSULES
(multi-product ads)
Whitehall Laboratories

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$20,960,000	$21,768,000
Spot tv	917,000	1,621,000
Network radio	—	14,000
Outdoor	—	—
Network cable	364,000	(No data)
Newspapers	—	—
Total	**$22,241,000**	**$23,403,000**

Marketing/brand management:
Vp mktg, George B. Prince
Grp prod mgr, John Casey
Prod mgrs: Judy Bender, Mark Hogan
Asst prod mgr, Randi Zerman
Adv dir, Richard Feldheim
Assoc adv dir, Steven Palmijano
Parent: American Home Products
Agency: William Esty, N.Y.
Sr vp-grp dir, George Biava
Vp-acct supr, Peter Balint
Acct supr, Carol DiSanto
Acct exec, John Edwards
Assoc media dir, Joseph Sander

116. TOYOTA
COMPACT TRUCKS
Toyota Motor Sales U.S.A., Inc.

	Media investments	
	1985	1984
Magazines	$ 1,773,000	$ 3,342,000
Natl. Sun. mags.	—	119,000
Network tv	6,871,000	7,831,000
Spot tv	10,704,000	12,135,000
Network radio	74,000	—
Outdoor	—	216,000
Network cable	1,146,000	(No data)
Newspapers	1,512,000	1,573,000
Total	**$22,080,000**	**$25,216,000**

Marketing/brand management:
Vp-mktg dir, George Borst
Brand mgmt, Charles Valentine
Brand mgr, Jan Thompson
Agency: DFS Dorland/S. Calif. (Torrance)
Sr vp-grp dir, Joe Chanin
Vp-grp acct suprs: Warren Benjamin, Ray Damiano, Scott Gilbert
Acct suprs: Dave Doyce, John Russell, John Upton
Acct execs: John Bucci, Kathy Moylan, Linda Malley, Steve Jett
Sr vp media, Richard Weigand
Sr vp-media dir, Nora Lapham
Assoc med dir, Katherine Galicich

117. DURACELL BATTERIES
Duracell, Inc.

	Media investments	
	1985	1984
Magazines	$ 4,004,000	$ 2,372,000
Natl. Sun. mags.	—	—
Network tv	16,493,000	18,147,000
Spot tv	1,332,000	2,975,000
Network radio	—	—
Outdoor	—	—
Network cable	166,000	(No data)
Newspapers	30,000	43,000
Total	**$22,025,000**	**$23,537,000**

Marketing/brand management:
Vp mktg, Charles Kiernan

Consumer grp prod mgr, Kevin Kelley
Specialty grp prod mgr, Mark Lucas
Parent: Dart & Kraft
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Jack Reed
Vp-mgmt supr, Philippe Defechereux
Vp-acct supr, Rick Estabrook
Vp-assoc media dir, Mark Rice
Asst media dir, Lisa Gallant

118. OIL OF OLAY LOTION

Richardson-Vicks Inc.

	Media investments 1985	Media investments 1984
Magazines	$ 3,128,000	$ 4,181,000
Natl. Sun. mags.	—	—
Network tv	12,333,000	7,594,000
Spot tv	6,083,000	9,963,000
Network radio	—	—
Outdoor	—	—
Network cable	318,000	(No data)
Newspapers	150,000	—
Total	**$22,012,000**	**$21,738,000**

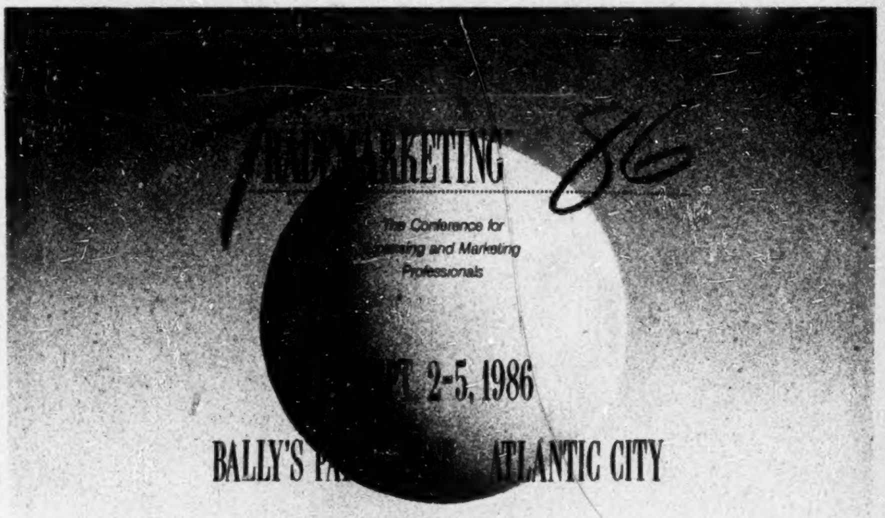
Marketing/brand management:
Vp mktg skin care prods, Tom Laughlin
Dir media, Irwin Fleischer
Brand mgr, Mary Jaensch
Parent: Procter & Gamble
Agency: Wells, Rich, Greene, N.Y.
Corp media dir, Bob Geis
Vp-media grp hd, Pat Casa

119. GENERAL MOTORS CORPORATE

General Motors Corp.

	Media investments 1985	Media investments 1984
Magazines	$ 1,933,000	$ 932,000
Natl. Sun. mags.	—	26,000
Network tv	11,360,000	19,182,000
Spot tv	4,479,000	7,474,000
Network radio	706,000	1,715,000
Outdoor	—	30,000
Network cable	276,000	(No data)
Newspapers	3,150,000	4,365,000
Total	**$21,904,000**	**$33,724,000**

Marketing/brand management:
Vp mktg & prod plng, R. T. O'Connell
Exec dir adv srvcs, P. Guarascio
Exec dir mktg, J. N. Stewart
Dir adv, D. J. Teasdale
Asst adv mgr, D. P. Bolen
Adv supr, M. G. Wright
Vp pub rel, J. W. McNulty
Dir pub affairs adv, G. H. Pruette
Adv coor (pub affairs), R. Thomas Beaman
Mgr crtv srvcs (pub affairs), H. Wells
Agencies: D'Arcy Masius Benton & Bowles, Bloomfield Hills, MI
Exec vp-mgmt supr, T. T. Teegarden
Vp-acct supr, W. A. Mara
Vp rtl comm, A. R. Harrington
Sr vp-media dir, G. M. Rogers
Vp-grp media dir, E. M. Coosia
NW Ayer, Detroit
Public affairs:
Sr vp-gm, Robert Kingsbury
Sr vp-mgmt supr, Richard Prince
Vp-media dir, Randall Schroeder
Assoc media dir, Rick Doyle
Minority marketing agency: UniWorld, N.Y.
Acct supr, Bernard Baskett
Media dir, Sherri Cherot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120. **NISSAN 300 ZX CAR**

Nissan Motors Inc.

	Media investments 1985	Media investments 1984
Magazines	$ 5,868,000	$ 2,689,000
Natl. Sun. mags.	—	28,000
Network tv	6,305,000	8,892,000
Spot tv	8,975,000	3,711,000
Network radio	—	—
Outdoor	222,000	149,000
Network cable	396,000	(No data)
Newspapers	—	—
Total	**$21,766,000**	**$15,469,000**

Marketing/brand management:
Vp mktg srvcs, Bob Kent
Dir adv, Joe Opre
Media plng mgr, Susan Furedi
Agency: William Esty, N.Y.
Sr vp-acct dir, Dick Macedo (L.A.)
Sr vp-media dir, Stacey Lippman
Sr vp-grp media dir, Lucielle Gionet
Assoc media dirs: Doug Powers (N.Y.), Jolene Fredrick (L.A.)

121. **XEROX CORPORATE**

Xerox Corp.

	Media investments 1985	Media investments 1984
Magazines	$ 10,000	$ 445,000
Natl. Sun. mags.	—	—
Network tv	21,044,000	7,132,000
Spot tv	89,000	605,000
Network radio	—	—
Outdoor	—	—
Network cable	486,000	(No data)
Newspapers	7,000	489,000
Total	**$21,636,000**	**$8,671,000**

Marketing/brand management:
Dir corp adv & prom, Michael Kirby
Mgr corp adv & prom, Joseph Cooper
Mgr adv oper, Tom Creighton
Spcl events cnsltnt, Jack La Marque
Agency: unfilled at press time

All three television networks are in this year's report.

122. **WRIGLEY'S SPEARMINT GUM**

Wm. Wrigley, Jr. Co.

	Media investments 1985	Media investments 1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$14,619,000	$ 9,638,000
Spot tv	5,531,000	2,540,000
Network radio	—	—
Outdoor	—	—
Network cable	1,343,000	(No data)
Newspapers	—	—
Total	**$21,493,000**	**$12,178,000**

Marketing/brand management:
Exec vp mktg, Ronald O. Cox
Vp adv, Henry Berchert
Mktg dir, Gary Bebee
Agency: BBDO, Chicago
Exec vp, Andrew Donchak
Vp-acct supr, Jay Tolman
Acct exec, Russ Le Blanc
Sr vp-media dir, Robert Garrison
Vp-assoc media dir, Kathy Segal

123. **LUVS DIAPERS**

The Procter & Gamble Co.

	Media investments 1985	Media investments 1984
Magazines	$ 2,446,000	$ 2,001,000
Natl. Sun. mags.	—	—
Network tv	4,854,000	11,666,000
Spot tv	13,610,000	9,382,000
Network radio	—	—
Outdoor	20,000	164,000
Network cable	—	(No data)
Newspapers	561,000	228,000
Total	**$21,491,000**	**$23,441,000**

Marketing/brand management:
Div mgr, Richard R. Nicolisi
Adv mgr, Jamie Wallace
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: DFS, New York
Exec vp-mgmt dir, Richard O'Brien
Sr vp-mgmt supr, Richard Pounder
Acct supr, Mitchell Cogert
Exec vp-dir mktg srvcs, Allen Banks
Sr vp-sr assoc media dir, Peter Regan
Assoc media dir, Gay Kassan

124. **CITIBANK CONSUMER SERVICES**

Citibank N.A.

(Includes local bank services, and Visa/Mastercard)

	Media investments 1985	Media investments 1984
Magazines	$ 3,456,000	$1,944,000
Natl. Sun. mags.	364,000	128,000
Network tv	17,174,000	750,000
Spot tv	402,000	5,497,000
Network radio	—	—
Outdoor	—	34,000
Network cable	83,000	(No data)
Newspapers	(No data)	(No data)
Total	**$21,479,000**	**$8,353,000**

Marketing/brand management:
Northeast Division:
Vp-gm, Loren Smith
Agencies include: Lowe-Marschalk, N.Y.
(Preferred Visa & Better Bankcards)
Mgmt srvc dir, John Oliver
Mgmt supr, Scott Smith
Acct supr, Jim Chandler
Assoc media dir, Frank Holland
Media grp hd, Bob Rose
(Northeast Div. agency unfilled at press time)

125. **STROH'S BEER**

The Stroh Brewery Co.

	Media investments 1985	Media investments 1984
Magazines	$ 249,000	—
Natl. Sun. mags.	—	—
Network tv	16,458,000	$26,543,000
Spot tv	1,271,000	3,266,000
Network radio	—	—
Outdoor	932,000	2,178,000
Network cable	2,060,000	(No data)
Newspapers	429,000	327,000
Total	**$21,399,000**	**$32,314,000**

Marketing/brand management:
Vp mktg srvcs, John M. Hellweg
Vp brand mgmt, Richard Rogers
Brand dir, Michael C. Jaeger
Brand asst mgrs: Elizabeth Schubiner, Marion Griffith
Exec vp mktg & sls, J. Wayne Jones
Vp corp media, David C. Martin
Agency: Lowe Marschalk, N.Y.
Mgmt srvc dir, Rick Swanson
Acct supr, Paul T. Norwich
Vp-assoc media dir, Chris Brodie
Media grp hd, Reg Ungberg
Media supr, William Moore
Sr media plnr, Carolyn Appel
Acct exec, Robert DeFlorio

Black agency: Burrell, Chicago
Vp-grp dir, Donald A. Coleman
Vp media, Nick Howse
Media supr, Linda Price
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-acct supr, Freida Curry
Asst acct exec, Leroy Kemp
Hispanic markets agency: Bermude & Assoc., L.A.
Chmn-ceo, Edwardo Bermudez
Pres, James Golightly
Vp acct srvcs, Marguerite Cueto
Acct exec, Lloyd Lopez
Asst acct exec, Eva Sorenson
Media dir, Rachel Maya

126. SEVEN-UP SOFT DRINK

The Seven-Up Co.

	Media investments 1985	1984
Magazines	$ 50,000	$ 85,000
Natl. Sun. mags.	—	—
Network tv	12,312,000	13,317,000
Spot tv	6,392,000	8,926,000
Network radio	—	—
Outdoor	1,403,000	432,000
Network cable	529,000	(No data)
Newspapers	579,000	365,000
Total	**$21,265,000**	**$23,125,000**

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New York's CAPITAL NEWSPAPERS

TIMES UNION Mornings & Sunday
Knickerbocker News Evenings
HEARST NEWSPAPERS

Marketing/brand management:
VP mktg, David Haffner
VP brand mgmt, Brian Schuyler
Vp media srvcs, Ralph Countryman
Agency: Leo Burnett, Chicago
Sr vp-grp dir, John Kovas
Vp-acct supr, Steve Gritton
Acct supr, Paula McCloud
Sr vp media, Willard Hadlock
Vp-media dir, Dick Hobbs
Media supr, Bob Brennan
Media supr new prod, Glenda Doorn
Minority agency: UniWorld, St. Louis
Acct supr, Ronald C. Owens
Media dir, Sherri Cherot
Mgmt supr Hispanic, Neil Campbell

127. GOODYEAR CAR TIRES

The Goodyear Tire & Rubber Co.

	Media investments 1985	1984
Magazines	$10,452,000	$ 4,140,000
Natl. Sun. mags.	—	—
Network tv	8,614,000	4,856,000
Spot tv	1,813,000	2,390,000
Network radio	—	—
Outdoor	—	79,000
Network cable	352,000	(No data)
Newspapers	—	—
Total	**$21,231,000**	**$11,465,000**

Marketing/brand management:
Vp adv, George S. Lenox
Dir adv, James K. Devoe
Mgr rtl adv, Davis M. Jones
Mgr adv, Jim Neawedde
Agency: J. Walter Thompson, New York
Sr vp-acct dir, Peter Hanley
Sr vp-media dir, Richard Kostyra
Sr vp-dir media plng, John Gray
Sr vp-dir bdcst, John Sisk
Vp-assoc media dirs: Al Romano, Ron Von Urff
Media plnrs: Paul Kappo, Anthony Salecno
Vp-mgmt supr (rtl stores), Bob Haverback
International agency: McCann-Erickson, N.Y.
Sr vp-worldwide acct dir, Peter Kennaby

128. APPLE II COMPUTER SYSTEMS

Apple Computer, Inc.

	Media investments 1985	1984
Magazines	$ 1,341,000	—
Natl. Sun. mags.	61,000	—
Network tv	15,770,000	—
Spot tv	168,000	—
Network radio	—	—
Outdoor	—	—
Network cable	204,000	—
Newspapers	3,663,000	—
Total	**$21,207,000**	**—**

Marketing/brand management:
Exec vp sls & mktg, Bill Campbell
Mgrs adv & sls prom: Bruce Mowery (domestic), Paul Wiefels (intl)
Agency: BBDO, New York
Personnel not determined at press time

129. RIUNITI WINES

Villa Banfi, U.S.A.

	Media investments 1985	1984
Magazines	$ 563,000	$ 584,000
Natl. Sun. mags.	—	—
Network tv	19,497,000	14,949,000
Spot tv	675,000	599,000
Network radio	—	—
Outdoor	—	—
Network cable	84,000	(No data)
Newspapers	309,000	—
Total	**$21,128,000**	**$16,132,000**

Marketing/brand management:
Mktg dir, William J. Roethel
Sr vp sls & mktg, Frank Gentile
Dir mktg srvcs, David Dutton
Vp adv, Neill F. Trimble
Sls promo dir, Dorothy Keyes
Brand mgr, Virginia Foster
Agency: Hicks & Greist, N.Y.
Chmn, Charles V. Skoog
Account exec, Bertha Adams
Vp media, Semour Parker
Media dirs: Harriet Nichols (spot tv/radio), Averill Greif (print/outdoor)
Sr vp-crtv dir, Bill Wurtzel

Alphabetical index appears on page 55.

130. MORE LIGHT 100s & MENTHOL LIGHT 100s CIGARETTES

[Joint product ads]

R.J. Reynolds Tobacco Co.

	Media investments	
	1985	1984
Magazines	$ 8,134,000	$7,299,000
Natl. Sun. mags.	5,838,000	749,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	—	30,000
Network cable	—	(No data)
Newspapers	7,091,000	199,000
Total	**$21,063,000**	**$8,277,000**

Marketing/brand management:
Sr vp brand mktg, R. A. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, R. M. Sanders
Sr brand mgr, R. C. Thompson
Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Creative agency: Leber Katz, N.Y.
Exec vp, Robert Hirsch
Vp-mgmt supr, Janice Lee
Acct supr, Rosemary O'Leary
Acct exec, Robert Blumstein

131. TIME-LIFE BOOKS

Time, Inc.

	Media investments	
	1985	1984
Magazines	$15,377,000	$10,526,000
Natl. Sun. mags.	163,000	15,000
Network tv	9,000	6,000
Spot tv	3,374,000	3,642,000
Network radio	—	—
Outdoor	—	—
Network cable	1,955,000	(No data)
Newspapers	89,000	268,000
Total	**$20,967,000**	**$14,457,000**

Marketing/brand management:
Exec vp mktg, Chris Linen
Vp-dir prod mgmt, Leo Toralballa
Asst dir prod mgmt, Carol Kaplan
Brand mgrs: Mary Donohoe, Yuri Okuda, Laurie Miller-Hofmann
Dir media srvcs, Hallet Johnson
Adv mgr-print, Nancy Jones
Bdcst media mgr, Wayne Butler
Agency: Wunderman Ricotta & Kline, N.Y.
Vp-mgmt supr, Judy Keane
Vp media, Juliet Mundz-Darnell
Exec vp-media dir, Polly Langbort
Media supr, Lisa Gamliel
Acct execs: Eric Tolkin, Sharon Ripkin

132. FRANKLIN MINT COLLECTIONS

The Franklin Mint Corp.

(Not including ads solely for Porcelain Collection, Record Society, Library Books and Gallery Collection)

	Media investments	
	1985	1984
Magazines	$ 7,014,000	$ 8,198,000
Natl. Sun. mags.	3,504,000	4,032,000
Network tv	13,000	6,000
Spot tv	2,195,000	2,916,000
Network radio	—	—
Outdoor	—	—
Network cable	1,248,000	(No data)
Newspapers	6,960,000	6,654,000
Total	**$20,934,000**	**$21,806,000**

Marketing/brand management:
Vp U.S. mktg, Martin Breisblatt
Vp male collectibles, Richard Stearns
Vp female collectibles, Arthur Johnson
Vp functional home collectibles, Thomas Durovsik
Agency: Franklin Media (House)
Vp media, Alan Beer

133. TIDE LIQUID DETERGENT

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 2,521,000	—
Natl. Sun. mags.	—	—
Network tv	13,090,000	—
Spot tv	4,069,000	$483,000
Network radio	—	—
Outdoor	64,000	—
Network cable	661,000	(No data)
Newspapers	388,000	—
Total	**$20,793,000**	**$483,000**

Marketing/brand management:
Div mgr, B. L. Byrnes
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Saatchi & Saatchi, N.Y.
Sr vp-mgmt dir, Paula Forman
Sr vp-mgmt supr, Jeffrey Zeiler
Acct supr, Lynn Ghitelman
Acct exec, William Harnew
Sr vp-media dir, Steve Fajen
Sr vp-dir P&G plng, Robert Pape
Vp-assoc media dir, Sande Pisik
Media supr, Robert Zen
Sr plnr, Ellen Polakoff

134. CENTURY 21 REAL ESTATE

Century 21 Real Estate Corp.

	Media investments	
	1985	1984
Magazines	$ 750,000	$ 1,017,000
Natl. Sun. mags.	—	—
Network tv	17,892,000	12,538,000
Spot tv	2,058,000	3,764,000
Network radio	—	—
Outdoor	27,000	55,000
Network cable	—	(No data)
Newspapers	—	—
Total	**$20,727,000**	**$17,374,000**

Marketing/brand management:
Vp mktg, Bruce Oseland
Brand mgr, Marty Barrett
Parent: Transworld Corp.
Agency: McCann-Erickson, L.A.
Vp-grp dir, Jim Dorsey
Vp-acct supr, Joe Van Sickle
Acct suprs: Kim Carlsen, Scott Franey
Sr vp media, Debra Labinson
Vp-assoc media dir, Elsa Saldana
Media supr, Lorraine Klarl

135. FORD AEROSTAR MINI VAN

Ford Motor Co.

	Media investments	
	1985	1984
Magazines	$ 7,003,000	—
Ntl. Sun. mags.	—	—
Network tv	11,311,000	—
Spot tv	177,000	—
Network radio	1,454,000	—
Spot radio	—	—
Outdoor	528,000	—
Network cable	93,000	(No data)
Newspapers	30,000	—
Total	**$20,596,000**	—

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, Gerry Donnelly
Media mgr, Dick Halseth
Adv & sls prom, A. Pridgeon
Agency: J. Walter Thompson,

Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Assoc media dir (trucks), Karen Campbell
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gen mgr, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly

136. CHEVROLET PASSENGER CARS

(multi-product ads)

Chevrolet Motors Division

	Media investments 1985	1984
Magazines	$ 1,485,000	$ 501,000
Natl. Sun. mags.	880,000	—
Network tv	10,498,000	8,306,000
Spot tv	407,000	47,000
Network radio	494,000	—
Outdoor	416,000	353,000
Network cable	15,000	(No data)
Newspapers	6,324,000	3,484,000
Total	**$20,519,000**	**$12,691,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, William J. Tausch
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, Ronald D. Geskey
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Jack Martin, Barb Munro, Jack Winkleseth

137. TOYOTA TRUCKS

Toyota Motor Sales U.S.A., Inc.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 1,444,000	$ 1,419,000
Spot tv	15,602,000	14,969,000
Network radio	—	—
Outdoor	757,000	214,000
Network cable	1,234,000	(No data)
Newspapers*	1,423,000	2,359,000
Total	**$20,460,000**	**$18,961,000**

*M&MD estimates

Marketing/brand management:
Vp-mktg dir, George Borst
Brand mgmt, Charles Valentine
Brand mgr, Jan Thompson
Agency: DFS Dorland/S. Calif. (Torrance)
Sr vp-grp dir, Joe Chanin
Vp-grp acct suprs: Warren Benjamin, Ray Damiano, Scott Gilbert
Act suprs: Dave Doyce, John Russell, John Upton
Acct execs: John Bucci, Kathy Moylan, Linda Malley, Steve Jett
Sr vp-media, Richard Weigand
Sr vp-media dir, Nora Lapham
Assoc med dir, Katherine Galicich

138. KRAFT VELVEETA CHEESE

Kraft Inc.

	Media investments 1985	1984
Magazines	—	$ 536,000
Natl. Sun. mags.	—	—
Network tv	$10,187,000	18,691,000
Spot tv	10,050,000	1,535,000
Network radio	—	—
Outdoor	—	—
Network cable	166,000	(No data)
Newspapers	—	—
Total	**$20,403,000**	**$20,762,000**

Marketing/brand management:
Exec vp & gm bus venture, Eric Strobel
Vp bus venture, Charlie Martin
Exec vp & gm refrig prod, Robert Morrison
Vp & dir refrig prod, Winthrop Hamilton
Ctgy mgr, Rick Searer
Exec vp corp mktg srvcs, Joel Weiner
Vp-dir crtv srvcs, James Blocki
Dir adv, Robert Powell
Mgr adv srvcs, William Landgraf
Asst prod adv srvcs mgr, Cassandra Reese
Parent: Dart & Kraft
Agency: Leo Burnett, Chicago
Vp-acct dir, Brian Williams
Acct supr, Maria Deppe
Acct execs: Tim Pretzsch (loaf & slices), Barbara Stoldt (new prods)
Asst acct execs: Lisa Craig (loaf), Selby Hall (slices)
Vp-media dir, Jack Hanrahan
Media plnr/buyers: Frank Shuford, Kris Ralston, Chris Ostapowicz
Black markets agency: Proctor & Gardner, Chicago
Vp-media dir, Anthony Moore
Vp-acct dir, Suzanne Stantely
Acct exec, Rweldon Woodruff
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Caoline Demy

139. L'EGGS PANTYHOSE

L'eggs Products, Inc.

	Media investments 1985	1984
Magazines	$ 1,295,000	$ 1,546,000
Natl. Sun. mags.	—	—
Network tv	14,741,000	22,806,000
Spot tv	1,745,000	2,214,000
Network radio	1,764,000	1,774,000
Outdoor	—	—
Network cable	550,000	(No data)
Newspapers	115,000	335,000
Total	**$20,210,000**	**$28,675,000**

Marketing/brand management:
Vp mktg, John Piazza
Grp brand dirs: Gordon Grant, Randy Fluharty
Dir new prods, Ted Cooper
Parent: Hanes Gp., Sara Lee Corp.
Agency: DFS, New York
Sr vp-mgmt dir, Michael Donahue
Exec vp-dir mktg srvcs, Allen Banks
Sr vp-sr assoc media dir, Ira Weinblatt
Vp-assoc media dir, Walter Tietz
Black agency: Burrell, Chicago
Acct supr, Fay Ferguson
Media dir, Nick Howse
Sr media plnr, Zeline Kelly
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Linda L. Pharr

140. SAFEWAY STORES

Safeway Stores, Inc.

	Media investments 1985	1984
Magazines	$ 1,273,000	$ 1,414,000
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	18,316,000	19,991,000
Network radio	—	—
Outdoor	513,000	142,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$20,102,000**	**$21,547,000**

Marketing/brand management:
Grp vp-dir mktg, Donald J. Smith
Vp adv & prom, Ron Giglio
Mgr bdcst/merch sect, Karl Royker
Mgr rtl prom sect, Crandall Eaton
Agency: Ketchum, San Francisco
Sr vp-grp dir, Dianne Snedaker
Vp-acct supr, Carla Emil
Acct supr, Zonda Reynolds
Sr vp-media dir, Cheryl Kroyer
Vp-assoc media dir, Ricki Kohn
Media supr, Lynn Wolfson
Pres-exec crtv dir, Ken Dudwick
Vp-crtv supr/wrtr, Carla Krummel
Rsrch supr, Jeanne Brown
Prdcr, Susan Conklin
Vp bdcst prdctn, Sue Rugtiv

Advertising managers of 15 regional divisions determine media expenditures. Each division employs its own broadcast agency.

141. ALWAYS FEMININE PROTECTION PRODUCTS

The Procter & Gamble Co.

(Not including ads solely for Always Plus)

	Media investments 1985	1984
Magazines	$ 7,178,000	$ 6,470,000
Natl. Sun. mags.	—	1,544,000
Network tv	11,051,000	8,357,000
Spot tv	1,229,000	919,000
Network radio	—	560,000
Outdoor	—	—
Network cable	298,000	(No data)
Newspapers	321,000	1,033,000
Total	**$20,077,000**	**$18,883,000**

Marketing/brand management:
Div mgr, Richard R. Nicolisi
Adv mgr, Jamie Wallace
Assoc adv mgr, Charlotte Reynolds Otto
Brand mgrs: Beth Kaplan, Ann Marsden
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: D'Arcy Masius Benton & Bowles, New York
Sr vp-grp dir, Jim Hutchinson
Vp-acct supr, Kathy Kehoe
Acct execs: Katherine Persky, Andrea Cautela
Sr vp media: Richard Hamilton
Vp-assoc media dir, Jeri Dack
Asst media dir, Steve Calder

Category listings begin on page 56.

More Than Sun and Sand

Every sunny Florida market claims to be the answer to your dreams. But the truth is, it takes more than sun and sand to make a market with muscle.

The St. Petersburg, Tampa, Clearwater (SPTC) area has emerged as Florida's #1 metro in population, households and buying power. The purchasing strength of this area alone is projected to reach $31 billion dollars by 1989 according to the 1985 Sales & Marketing Management's Survey of Buying Power.

As the most popular and influential advertising media on the Suncoast, we can help you reach your goals in Florida's wealthiest market.

At the St. Petersburg Times and the Evening Independent, we've been promoting growth and building record-breaking sales in our community for more than 100 years. With Sunday Times circulation reaching 355,093* and weekday circulation for the Times and Independent topping 311,792*, the figures show that our papers are read by seven out of ten adults in Pinellas County everyday.

Call your Times and Independent sales representative today and let us show you how to build record-breaking sales on Florida's Suncoast.

General Advertising (813)893-8249
Represented nationally by CWO & O
Source: Audit Bureau of Circulations audit report of average paid circulation for 12 months ending 12/31/85

St. Petersburg Times
evening Independent

142. MASTERCARD CREDIT CARD SERVICES

Mastercard, Intl.

(Not including regional tv and ads solely for Gold card, international services and travelers checks)

	Media investments	
	1985	1984
Magazines	$ 179,000	$ 134,000
Natl. Sun. mags.	—	—
Network tv	16,346,000	16,944,000
Spot tv	2,902,000	4,679,000
Network radio	—	—
Outdoor	—	—
Network cable	398,000	(No data)
Newspapers	—	—
Total	**$19,825,000**	**$21,757,000**

Marketing/brand management:
Sr vp card & trvl prod, F. Alan Schultheis
Sr vp mktg srvcs, Joanne Black
Adv mgr, Joan Bogin
Agency: William Esty, N.Y.
Sr vp-grp dir, Perry Butler
Vp-acct supr, Rich Driscoll
Acct execs: Greg Maddock, Rob Holmen
Sr vp media, Tom Winner

143. U.S. EXPRESS MAIL

U.S. Postal Service

	Media investments	
	1985	1984
Magazines	$ 4,936,000	$ 3,941,000
Natl. Sun. mags.	—	—
Network tv	4,151,000	9,181,000
Spot tv	7,989,000	5,578,000
Network radio	—	—
Outdoor	—	—
Network cable	284,000	(No data)
Newspapers*	2,425,000	1,715,000
Total	**$19,785,000**	**$20,415,000**

*M&MD estimates

Marketing/brand management:
Dir mktg, John Wargo
Dir adv, E. J. Gary Stevens
Agency: Young & Rubicam, N.Y.
Sr vp-mgmt supr, Bud Hall
Acct suprs: Dick Kebbon, Terry Pranses, William McGrory
Sr vp-grp media supr, Nancy Smith
Media supr, J. C. Ziegler

144. U.S. ARMED FORCES RECRUITING

Joint Recruiting Advertising Program

	Media investments	
	1985	1984
Magazines	$ 1,000	$ 603,000
Natl. Sun. mags.	—	—
Network tv	18,771,000	10,927,000
Spot tv	—	—
Network radio	—	—
Outdoor	25,000	1,000
Network cable	972,000	(No data)
Newspapers	—	—
Total	**$19,769,000**	**$11,531,000**

Marketing/brand management:
Dir joint recruiting adv prog, Lynn Lucchetti
Joint adv div dir, Air Force Maj Yolan Laporte
Finance systems mgmt div dir, Army Maj (P) J. Schlegel
Prog adv mgrs: Navy Lt Linda Donner, Marine Corps Capt Junior Ortiz
Admin assts: Navy YN3 Ida Carolina, Marine Corps SSGT Thomas Doyle
Agency: Grey, New York
Exec vp-grp dir, Robert A. Ravitz
Vp-acct suprs: Harvey Robinson, Garry Niebauer
Acct suprs: Leonard Susman, David Stanley
Acct execs: Sherman Landwehr, Brian Decker, Karen Helle
Exec vp media & prog srvcs, Alec Gerster
Assoc media dir, Russ Booth
Grey Direct:
Sr vp-mgmt rep, Steve Walden
Vp-mgmt supr, Jim Battin
Acct supr, Allison Sass
Acct exec, Patricia Ruggiero
Media supr, Wendy Lippman
Media asst, Sabrina Michaux

145. ALKA-SELTZER ANTACID/PAIN RELIEVER

Miles Labs

	Media investments	
	1985	1984
Magazines	—	$ 151,000
Natl. Sun. mags.	—	—
Network tv	$15,778,000	14,723,000
Spot tv	1,693,000	2,338,000
Network radio	2,112,000	—
Outdoor	—	—
Network cable	101,000	(No data)
Newspapers	—	—
Total	**$19,684,000**	**$17,212,000**

Marketing/brand management:
Vp mktg (U.S.), Stephen M. Reim
Vp-adv mgr, Mitchell Streicker
Agency: McCann-Erickson, N.Y.
Sr vp-grp mgmt dir, Peter Heinz
Vp-acct dir, Mel Philpott
Sr vp-media dir, Ira Carlin
Vp-plng mgr, Vince Tortorelli
Hispanic agency: Conill, New York
Vp-acct dir, Julio J. Castellanos
Vp-acct supr, Charles F. Magee, Jr.
Exec vp-media dir, Bibiana Grau

146. WINN-DIXIE STORES

Winn-Dixie Stores, Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 2,199,000	—
Spot tv	17,330,000	$14,323,000
Network radio	—	—
Outdoor	50,000	1,000
Network cable	86,000	(No data)
Newspapers	(No data)	(No data)
Total	**$19,665,000**	**$14,324,000**

Marketing-brand management:
Dir adv, G. E. Clerc, Jr.
Agency: William Cook, Jacksonville, FL
Exec vp-acct mgr, Carson Eddings
Vp-acct suprs: Lura Benton, James Radcliffe
Acct execs: Michael Russell, Dick Mathews, Marty Lynch
Media dir, Mary Shine
Media plnr, Bob Stone

147. CRISCO SHORTENING

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 4,356,000	$ 2,750,000
Natl. Sun. mags.	—	—
Network tv	10,302,000	10,941,000
Spot tv	4,337,000	3,476,000
Network radio	—	—
Outdoor	—	—
Network cable	608,000	(No data)
Newspapers	—	—
Total	**$19,603,000**	**$17,167,000**

Marketing/brand management:
Div mgr, L. D. Milligan
Adv mgr, J. T. Smith
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynn C. Veil, James R. Maxwell III,

Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Saatchi & Saatchi, N.Y.
Mgmt supr, Hayes Roth
Acct supr, Tom White
Acct mgr, Laura Gerndt
Assoc media dir, Barbara Towey
Media supr, Cheryl Leslie
Media sr plnr, Regina Lithen

148. MAZDA B-2000 COMPACT TRUCKS

Mazda Motors of America (Central), Inc.

	Media investments	
	1985	1984
Magazines	$ 6,156,000	$ 3,507,000
Natl. Sun. mags.	—	—
Network tv	11,410,000	13,674,000
Spot tv	963,000	1,197,000
Network radio	—	—
Outdoor	—	—
Network cable	646,000	(No data)
Newspapers*	423,000	564,000
Total	$19,598,000	$18,942,000

*M&MD estimates

Marketing/brand management:
Sr vp-gm, R. E. Hayden
Vp mktg, Duane Bowen
Sr vp-gm (MMA-East), Jim Trado
Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Welton Mansfield
Media dir, Robert MacDonald (Santa Ana)

149. FORD RANGER COMPACT TRUCKS

Ford Motor Co.

	Media investments	
	1985	1984
Magazines	$ 5,037,000	$ 4,288,000
Natl. Sun. mags.	—	—
Network tv	12,613,000	6,334,000
Spot tv	1,012,000	4,023,000
Network radio	—	—
Outdoor	254,000	372,000
Network cable	293,000	(No data)
Newspapers	—	—
Total	$19,209,000	$15,017,000

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, Gerry Donnelly (trucks)
Media mgr, Dick Halseth
Adv & sls prom, A. Pridgeon
Agency: J. Walter Thompson, Detroit, MI
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Assoc media dir (trucks), Karen Campbell
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly

150. COORS LIGHT BEER

Adolph Coors Co.

	Media investments	
	1985	1984
Magazines	$ 25,000	—
Natl. Sun. mags.	—	—
Network tv	5,574,000	$ 1,743,000
Spot tv	12,547,000	9,343,000
Network radio	—	—
Outdoor	233,000	71,000
Network cable	764,000	(No data)
Newspapers	57,000	28,000
Total	$19,200,000	$11,185,000

Marketing/brand management:
Exec vp sls & mktg, Robert A. Recholtz
Vp mktg, Rob Klugman
Brand dir, Bob Fox
Brand mgr, Gary Skovsted
Vp mktg devel, Gary Truitt
Agency: Foote, Cone & Belding, Chicago
Sr vp-grp acct dir, Bill Melzer
Vp-acct dirs: Jim Gregga, Dale Smith, Tim Prosch, Randy Windschitl
Acct dir, Jim Mitchel
Acct exec, Mark Rooyakkers
Sr vp media, Fred Wray
Vp-grp media dir, Kent Vlautin
Media suprs: Bill Blaha, Mary Salmich, Steve Vye, Doug Powell, Lynne Muth
Hispanic markets agency: GSD&M, Austin, TX
Chmn, Steve Gurasich
Sr vp, Chuck Grady
Dir Hispanic srvcs, Raoul Rodriguez
Corp & pub affrs dir, Hank Olguin
Vp-assoc media dir, Tina Williamson

151. SHELL GASOLINE

Shell Oil Co.

	Media investments	
	1985	1984
Magazines	$ 4,146,000	$ 2,227,000
Natl. Sun. mags.	—	—
Network tv	1,165,000	1,643,000
Spot tv	13,211,000	9,677,000
Network radio	—	—
Outdoor	1,000	4,000
Network cable	—	(No data)
Newspapers	444,000	1,600,000
Total	$18,967,000	$15,151,000

Marketing/brand management:
Vp mktg, J. W. Schutzenhofer
Adv/sls prom mgr, J. H. Haines
Agency: Ogilvy & Mather, Houston
Sr vp-mgmt supr, Kirk Walden
Vp-assoc media mgr, Dan Frazier

152. PEOPLE MAGAZINE CIRCULATION

Time, Inc.

	Media investments	
	1985	1984
Magazines	$ 665,000	$ 304,000
Natl. Sun. mags.	—	—
Network tv	2,831,000	3,639,000
Spot tv	13,979,000	10,770,000
Network radio	—	—
Outdoor	—	—
Network cable	468,000	(No data)
Newspapers	1,017,000	1,091,000
Total	$18,960,000	$15,804,000

Marketing/brand management:
Prom mgr, Debbie Himmelfarb
Dir prom & spcl proj, Daniel B. Brewster Jr.
Dir mktg srvcs, Barry Perrin
Agency: Holland & Callaway, N.Y.
Chmn & copywriter, Ron Holland
Pres, Jim Calloway
Prdcr, Russ Kaiser

Heineken is the only imported beer to make this year's ranking.

153. FORD PASSENGER CARS

(multi-product ads)

Ford Motor Co.

	Media investments 1985	Media investments 1984
Magazines	$ 648,000	$ 1,569,000
Natl. Sun. mags.	—	—
Network tv	9,479,000	7,554,000
Spot tv	5,252,000	2,218,000
Network radio	1,000	—
Outdoor	535,000	246,000
Network cable	89,000	(No data)
Newspapers	2,927,000	1,803,000
Total	**$18,931,000**	**$13,390,000**

Marketing/brand management:
Ford Division:
Vp-gen mktg mgr, Ross Roberts
Adv mgrs: John Vanderzee, R. J. Gillooly (cars)
Media mgr, Dick Halseth
Adv-sls prom, A. Pridgeon
Agency: J. Walter Thompson, Detroit
Exec vp-gm, Peter Schweitzer
Sr vp-acct dir, Bill Williams
Sr vp-media dir, Tom Healey
Vp-grp media dir (cars & trucks), Paul Hunt
Vp-media dir (cars), Howard Spokes
Sr vp-bdcst supr, Ron Fredrick
Hispanic markets agency: Hispania/JWT, New York
Sr vp-gm, Caroline Demy
Acct supr, Ivan Pichardo
Media dir, Nancy Tellet
Black agency: Burrell, Chicago
Mgmt supr, Thomas J. Burrell
Media dir, Nick Howse
Sr media plnr, Zeline Kelly
Sr vp-dir acct srvcs, Charles L. Wimbley
Vp-mgmt supr, Donald A. Coleman
Vp-acct supr, Freida Curry
Asst acct exec, Leroy Kemp

> **There are eight domestic and two imported auto dealership associations among 1985's Top 200.**

154. MAZDA 626 CAR

Mazda Motors of America (Central), Inc.

	Media investments 1985	Media investments 1984
Magazines	$ 5,984,000	$4,750,000
Natl. Sun. mags.	—	—
Network tv	11,045,000	3,258,000
Spot tv	913,000	1,051,000
Network radio	—	—
Outdoor	—	—
Network cable	505,000	(No data)
Newspapers*	423,000	275,000
Total	**$18,870,000**	**$9,334,000**

*M&MD estimates

Marketing/brand management:
Sr vp-gm, R. E. Hayden
Vp mktg, Duane Bowen
Sr vp-gm (MMA-East), Jim Trado
Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Welton Mansfield
Media dir, Robert MacDonald (Santa Ana)

155. MILTON BRADLEY GAMES

Milton Bradley Co.

(Not including separate ads for electronic games)

	Media investments 1985	Media investments 1984
Magazines	$ 1,417,000	$ 217,000
Natl. Sun. mags.	61,000	—
Network tv	3,755,000	6,477,000
Spot tv	12,996,000	16,684,000
Network radio	—	—
Outdoor	—	—
Network cable	309,000	(No data)
Newspapers	63,000	—
Total	**$18,601,000**	**$23,378,000**

Marketing/brand management:
Pres, George Ditomassi
Sr vp r&d, E. David Wilson
Dir prod mgmt, Michael Meyers
Vp adv & pub rel, George Merritt
Parent: Hasbro
Agency: Griffin Bacal, New York
Pres, Tom Griffin
Exec vp client srvcs, Paul Kurnit
Exec vp-dir crtv srvcs, Joe Bacall
Exec vp-dir media srvcs, Arthur Heller
Sr vp-crtv dir, Leonard Leokum
Vp-mgmt supr, Gordon Hunt

156. HERSHEY'S CANDY BARS

Hershey Foods Corp.

	Media investments 1985	Media investments 1984
Magazines	$ 2,664,000	$ 3,068,000
Natl. Sun. mags.	—	—
Network tv	11,472,000	9,014,000
Spot tv	3,169,000	3,332,000
Network radio	1,023,000	870,000
Outdoor	—	—
Network cable	225,000	(No data)
Newspapers	32,000	132,000
Total	**$18,585,000**	**$16,416,000**

Marketing/brand management:
Mktg vp, Jay Carr
Dir mktg, Michael Holmes
Dir new prods, A. J. Pingitore
Mgr media rel, J. Brian Herrman
Agencies: Doyle Dane Bernbach, New York
Vc chmn, Peter Falcone
Grp sr vp, Peter Tate
Exec vp-media & prog dir, Mike Drexler
Vp-media plng dir, Steve Caputo
Assoc media plng dir, Liz Lubarsky
Ogilvy & Mather, N.Y.
Sr vp-grp dir, Michael Vaughan
Sr vp-assoc media dir, Tony Nacinovich
Vp-asst media dirs: Kristina Allen, Anthony DeSena
Asst media dir, Lisa Gallant

157. AUDI 5000 CAR

Volkswagen of America, Inc.

	Media investments 1985	Media investments 1984
Magazines	$ 3,992,000	$ 3,845,000
Natl. Sun. mags.	148,000	—
Network tv	5,548,000	918,000
Spot tv	7,515,000	6,801,000
Network radio	—	—
Outdoor	—	—
Network cable	40,000	(No data)
Newspapers*	1,239,000	705,000
Total	**$18,482,000**	**$12,269,000**

*M&MD estimates

Marketing/brand management:
Vp, Audi of America: Peter Fishen
Dir mktg, Tony Kirton
Adv mgr, Bruce Batzier
Agency: Doyle Dane Bernbach, Detroit
Pres, Brian Boller
Sr vp-acct supr, Sal Triano
Sr acct execs: Peter Toundas, Steve Swanson
Vp-acct supr, Ron Rogginger
Sr vp-media dir, Robert Mancini

158. PAMPERS DIAPERS

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 560,000	$ 732,000
Natl. Sun. mags.	—	—
Network tv	6,425,000	12,809,000
Spot tv	10,390,000	12,930,000
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers	878,000	—
Total	**$18,253,000**	**$26,471,000**

Marketing/brand management:
Div mgr, Richard R. Nicolosi
Adv mgr, Jamie Wallace
Assoc adv mgr, Jeff Jones
Brand mgr, Larry Gorkin
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: D'Arcy Masius Benton & Bowles, New York
Acct dir, Rod Torrence
Acct supr, Scott Anderholt
Acct exec, Jerry Grossman
Media dir, Rich Hamilton
Assoc media dir, Jeri Dack
Asst media dir, Brian Cauley

159. DOMINO'S RESTAURANTS

Domino's Pizza Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 9,298,000	$1,955,000
Spot tv	8,077,000	3,798,000
Network radio	—	195,000
Outdoor	829,000	336,000
Network cable	1,000	(No data)
Newspapers	(No data)	(No data)
Total	**$18,205,000**	**$6,284,000**

Marketing/brand management:
Vp mktg, Sam Fine
Natl dir adv & fld mktg, Brian Treisch
Dir pub rel, Ron Hingst
Agency: Group 243, Ann Arbor, Mich.
Sr vp, Christi Thomas
Vp-mngmt dir, Steve Seyferth
Vp media, Wayne Piotrowski

160. CHEVROLET ASTRO VAN

Chevrolet Motors Division

	Media investments	
	1985	1984
Magazines	$ 5,430,000	—
Natl. Sun. mags.	335,000	—
Network tv	11,502,000	$236,000
Spot tv	513,000	—
Network radio	—	—
Outdoor	143,000	—
Network cable	238,000	(No data)
Newspapers	38,000	—
Total	**$18,199,000**	**$236,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgr-truck, John M. Kelley
Mgr truck adv, G. Neil Perkins
Truck merch mgr, Frank F. Raine, Jr.
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, William J. Tausch
Grp sr vp-grp mgmt suprs: John A. Barcyzk (trucks), Anthony J. Hopp (regional)
Vp-acct supr, Joseph W. Tuskewicz
Acct exec, Greg J. Smith
Exec vp-media dir, Louis M. Schultz
Sr vp truck adv, John B. Hammond
Sr vp-truck merch, Thomas R. Boyd
Vp-truck merch, John L. Sych
Sr vp-media, Karen Ritchie
Sr vp-assoc media dir, Ronald D. Geskey
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs: Jack Martin, Barb Munro, Jack Winkleseth
Media plnr, Colleen A. Leveille

Of the ten cigarette campaigns in the ranking, three were joint promotions.

161. CHEVROLET CELEBRITY CAR

Chevrolet Motors Division
(Not including Wagons)

	Media investments	
	1985	1984
Magazines	$ 4,091,000	$ 3,634,000
Natl. Sun. mags.	—	—
Network tv	11,277,000	18,498,000
Spot tv	2,503,000	919,000
Network radio	—	34,000
Outdoor	102,000	157,000
Network cable	196,000	(No data)
Newspapers	—	40,000
Total	**$18,169,000**	**$23,282,000**

Marketing/brand management:
Gm, Robert D. Burger
Gen sls & srvc mgr, Robert W. Starr
Gen mktg mgr, Thomas A. Staudt
Asst gen sls mgr, M. H. Erdman
Mktg mgr passenger cars, Thomas R. Mason
Mgr passenger car adv, Danielle K. Colliver
Agency: Campbell-Ewald, Detroit
Exec vp-acct dir, William J. Tausch
Grp sr vp-grp mgmt suprs: Donald D. Williams (cars), Anthony J. Hopp (regional)
Vp-acct supr, Michael Ryan
Exec vp-media dir, Louis M. Schultz
Sr vp-assoc media dir, Ronald D. Geskey
Sr vp-dir natl bdcst buying, Judy Sawyer
Sr vp-dir lcl mkt media, Robert Mitchell
Vp-media suprs, Jack Martin, Barb Munro, Jack Winkleseth

162. SALEM CIGARETTES

R.J. Reynolds Tobacco Co.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	$17,498,000	$ 9,993,000
Network cable	—	(No data)
Newspapers	594,000	921,000
Total	**$18,092,000**	**$10,914,000**

Marketing/brand management:
Sr vp mktg, R. M. Kampe
Vp brand mgmt, J. T. Winebrenner
Mktg dir, D. N. Iauco
Sr brand mgr, S. R. Strausburg
Dir mktg srvcs, G. T. Barоody

Dir media, Dan Pearson
Grp mgr media admin, R. E. Neal
Parent: RJR Nabisco
Creative agency: William Esty, N.Y.
Pres-acct grp head, L. M. Wassong
Sr vp-assoc acct grp head, J. E. Neal
Sr vp-mgmt supr, Patricia Stewart
Vp-acct supr, Philip Shaner

163. KRAFT MIRACLE WHIP SALAD DRESSING

Kraft Inc.

	Media investments 1985	1984
Magazines	$ 2,567,000	$ 2,034,000
Natl. Sun. mags.	948,000	694,000
Network tv	9,956,000	7,480,000
Spot tv	3,744,000	1,611,000
Network radio	86,000	—
Outdoor	—	—
Network cable	30,000	(No data)
Newspapers	516,000	290,000
Total	**$17,847,000**	**$12,109,000**

Marketing/brand management:
Exec vp & gm bus venture, Eric Strobel
Vp bus venture, Charlie Martin
Exec vp & gm grocery prod, Joseph P. Durrett
Vp-dir grocery prod, L. Dick Buell
Grp brand mgr, Mark Leckie
Exec vp corp mktg srvcs, Joel Weiner
Vp-dir crtv srvcs, James Blocki
Dir adv, Robert Powell
Mgr adv srvcs, William Landgraf
Asst prod adv srvcs mgr, Cassandra Reese
Agency: J. Walter Thompson, Chicago
Sr vp-grp acct dir, Lloyd Stein
Sr vp-media dir, Robert H. Irvine
Black markets agency: Proctor & Gardner, Chicago
Vp-media dir, Anthony Moore
Vp-acct dir, Suzanne Stantely
Acct exec, Rweldon Woodruff
Hispanic markets agency: Hispania/JWT, N.Y.
Sr vp-gm, Caroline Demy

164. IVORY SOAP

The Procter & Gamble Co.

(Not including liquid-only ads)

	Media investments 1985	1984
Magazines	$ 63,000	—
Natl. Sun. mags.	—	—
Network tv	10,831,000	$11,206,000
Spot tv	6,369,000	5,356,000
Network radio	—	—
Outdoor	—	—
Network cable	581,000	(No data)
Newspapers	—	—
Total	**$17,844,000**	**$16,562,000**

Marketing/brand management:
Div mgr, C. C. Carroll
Adv mgr, R. H. Van Wagener
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank

A shrewd investment

In the Tampa Bay market — Florida's largest in terms of population, households and effective buying income* — your success depends on effective resource allocation. Accomplishing this in this rapidly growing market involves skill, intuition and knowledge. Independent research clearly indicates The Tampa Tribune is the optimum medium for reaching your best prospects.

Each day The Tampa Tribune delivers:
- More 25-54 year-old readers
- More readers in top level occupations
- More affluent adults ($50,000+ annual household income)
- More food buyers spending $150 per week

than any other daily newspaper combination in the market.**

Use your initiative to learn more about this lucrative market and this results-oriented advertising medium by requesting your free copy of The Tampa Tribune's complete readership profile, the 1986 edition of The Quality Buy. Write Joe Gess, General Advertising Manager, The Tampa Tribune, P.O.Box 191, Tampa, FL 33601-4005, or call, (813) 272-7447.

*SM&M Survey of Buying Power, 1985
**Simmons-Scarborough National Newspaper Rating Study, 1985
The Tampa Bay Metro Market consists of Hillsborough, Pasco, Hernando and Pinellas counties

THE TAMPA TRIBUNE. A SHREWD INVESTMENT

A Media General Newspaper represented nationally by Sawyer-Ferguson-Walker   Member of the Gannett 4-Color Network

Agency: Saatchi & Saatchi, N.Y.
Sr vp-grp dir, John Hayes
Vp-acct supr, Randy P. Greenwald
Acct exec, Jeffrey H. Bodenmann
Exec vp-media dir, Steve Fajen
Media dir-sr vp P&G plng, Robert Pape
Assoc media dir-vp, Patricia O'Donnell
Media plng supr, Audrey Siegel
Sr plnr, John O'Hara

165. TONKA TOYS

Tonka Corp.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$ 9,808,000	$3,492,000
Spot tv	7,199,000	2,581,000
Network radio	—	—
Outdoor	20,000	15,000
Network cable	776,000	(No data)
Newspapers	15,000	—
Total	**$17,818,000**	**$6,088,000**

Marketing/brand management:
Vp mktg, Ray McDonald
Vp mktg srvcs, Joe Garcia
Dir boys' toys, Justo Nunez
Dir girls' toys, Jim Pisors
Agency: Jordan, Case, Taylor, McGrath, N.Y.
Vp-mgmt supr, Rob Moorman
Acct suprs: Ellen Fields, Lane Miller
Acct execs: Lynne Keefer, Annika Paulsson
Acct assts: Paul Sorensen, Laura MacLennan
Media dir, Sylvia Rodriguez
Media supr, Sal Sannino
Assoc media dir, Joe Siano
Media plnr, Ken Posner

166. CRYSTAL LIGHT DRINK MIX

General Foods Corp.

	Media investments	
	1985	1984
Magazines	$ 706,000	$ 443,000
Natl. Sun. mags.	196,000	—
Network tv	9,792,000	13,169,000
Spot tv	5,499,000	6,643,000
Network radio	—	—
Outdoor	—	—
Network cable	1,355,000	(No data)
Newspapers	259,000	162,000
Total	**$17,807,000**	**$20,417,000**

Marketing/brand management:
Gm-vp, Bill Korab
Category mgr, Tom Romig
Prod grp mgr, Donald Press
Assoc prod mgr, Karen Ahern
Parent: Philip Morris
The GF media group includes:
Dir media srvcs, David K. Braun
Assoc dir media srvcs, D. J. Micell
Mgr lcl media, Gary Gruneberg
Asst mgr lcl media, I. Roche
Mgrs plng & buying: Brenda Giuffre (net), Kathy Riordan (print), Jonathan Sims (research)
Media asst, Bobby Asano
Agency: D'Arcy Masius Benton & Bowles, New York
Sr vp-acct dir, Dick Hopple
Mgmt supr, Ray Marione
Acct supr, Michael Dabrowski
Acct exec, Stuart Pearlman
Sr vp media, Rich Hamilton
Assoc media dir, Brian Hughes
Asst media dir, Brian Gillian

167. FIRESTONE AUTO CENTERS

Firestone Tire & Rubber Co.
(Not including ads for tires, batteries, etc.)

	Media investments	
	1985	1984
Magazines	—	$ 2,000
Natl. Sun. mags.	—	216,000
Network tv	$17,568,000	12,153,000
Spot tv	105,000	2,458,000
Network radio	7,000	—
Outdoor	1,000	—
Network cable	101,000	(No data)
Newspapers	(No data)	(No data)
Total	**$17,782,000**	**$14,829,000**

Marketing/brand management:
Vp mktg, L. J. Lombardo
Natl adv mgr, Charles M. Kosich
Dir adv, G. R. Kerr
Agencies: Saffer, Cravit & Freedman, Don Mills, Ont.
Vp-grp acct dir, David La Ferle
Sr acct exec, Gary Strong
Media plnr, Peter Evans (Chicago)
Advancers, St. Louis
(network TV)
Sr vp-proj grp dirs: John Marlow, Fred Weber
Assoc proj grp dir, Vernon Mottert

168. SUNLIGHT DISHWASHER DETERGENT

Lever Brothers Co.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$14,999,000	$2,764,000
Spot tv	2,605,000	5,015,000
Network radio	—	—
Outdoor	—	—
Network cable	163,000	(No data)
Newspapers	—	148,000
Total	**$17,767,000**	**$7,927,000**

Marketing/brand management:
Vp mktg, John R. Speirs
Mktg mgr, John A. Turner
Sr grp prod mgr, Eric L. Kessler
Assoc grp prod mgr, Tracy Carlson
Asst grp prod mgr, Tom Sparling
Media dir, Richard Butler
Parent: Unilever
Agency: BBDO, New York
Sr vp-mgmt supr, J. William Heath
Vp-acct supr, Martin H. Hummel
Acct exec, William Grogan
Asst acct exec, David Virrill
Exec vp-sr mgmt rep, Kenneth Rogers
Exec vp-dir media srvcs, Arnie Semsky
Sr vp-dir media plng srvcs, Mike Drake
Vp-assoc media dir, Nora Gallick
Media plnr, Pamela Baron
Asst media plnr, Ira Bahr

169. FTDA

Florists' Transworld Delivery Association

	Media investments	
	1985	1984
Magazines	$ 1,993,000	$ 2,443,000
Natl. Sun. mags.	206,000	123,000
Network tv	6,846,000	6,401,000
Spot tv	71,000	113,000
Network radio	5,707,000	2,548,000
Outdoor	112,000	5,000
Network cable	104,000	(No data)
Newspapers	2,689,000	2,415,000
Total	**$17,728,000**	**$14,048,000**

Marketing/brand management:
Grp dir mktg, Harry Knitter
Adv & pub rel dir, Bod Etter
Agency: D'Arcy Masius Benton & Bowles, Bloomfield Hills, Mich.
Sr vp-mgmt supr, Harold J. Hogan
Vp-grp acct supr, R. Robin Carr
Acct supr, Terri Anderson

Sr vp-dir media srvcs, George M. Rogers, Jr.
Vp-grp media dir, Marty Choinski

170. MERRILL LYNCH STOCKBROKER SERVICE

Merrill Lynch, Pierce, Fenner & Smith, Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$15,402,000	$3,898,000
Spot tv	1,901,000	117,000
Network radio	81,000	389,000
Outdoor	6,000	—
Network cable	325,000	(No data)
Newspapers	—	—
Total	**$17,715,000**	**$4,404,000**

Marketing/brand management:
Sr vp comm, James E. Murphy
Vp-ad mgrs: James W. Walsh (corp), Deborah Mandelker (consumer mkts), Joan Moshello (capital mkts)
Agencies: Bozell Jacobs Kenyon & Eckhardt, New York
Sr vp-mgmt suprs: Gerald Matthes (corp), Gerald Sherwin (consumer mkts), Walter Guarino (capital mkts)
Acct suprs: Eileen Lynch (corp), Susan Popper (consumer mkts), Orlando Herrera (capital mkts)

171. AT&T PERSONAL COMPUTER SYSTEMS

AT&T Information Systems

	Media investments	
	1985	1984
Magazines	$ 929,000	$ 5,615,000
Natl. Sun. mags.	—	—
Network tv	13,847,000	14,448,000
Spot tv	27,000	4,000
Network radio	—	—
Outdoor	—	—
Network cable	166,000	(No data)
Newspapers*	2,596,000	2,962,000
Total	**$17,565,000**	**$23,029,000**

*M&MD estimates

Marketing/brand management:
Adv dir, R. R. Draper
Div mgrs: P. C. Shyposh, K. Vereb
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Kelly O'Dea
Vp-mgmt supr, Cynthia Round
Sr vp-assoc media dir, Wilma Epstein
Vp-asst media dir, Andrea McAteer

172. BLUE CROSS & BLUE SHIELD PLANS

Blue Cross & Blue Shield Association

(Not including ads from regional operations and ads solely for Blue Cross Insurance, etc.)

	Media investments	
	1985	1984
Magazines	$ 1,809,000	$ 1,054,000
Natl. Sun. mags.	—	—
Network tv	4,530,000	3,831,000
Spot tv	9,759,000	5,605,000
Network radio	1,265,000	1,062,000
Outdoor	200,000	173,000
Network cable	—	(No data)
Newspapers	—	—
Total	**$17,563,000**	**$11,725,000**

Marketing/brand management:
Vp comm, Duane Carlson
Sr consultant, Tom Mora
Plnr, Gere Collosky
Agency: HCM, Chicago
Sr vp, Laurel Baer
Dir media plng, Greg Billie

173. HEINEKEN BEER

Van Munching & Co., Inc.

	Media investments	
	1985	1984
Magazines	$ 5,479,000	$ 4,363,000
Natl. Sun. mags.	220,000	145,000
Network tv	4,501,000	3,004,000
Spot tv	6,757,000	7,143,000
Network radio	260,000	540,000
Outdoor	—	—
Network cable	—	(No data)
Newspapers	221,000	150,000
Total	**$17,438,000**	**$15,345,000**

Marketing/brand management:
Natl adv mgr, Alvin A. Nilson
Agency: SSC&B, New York
Exec vp acct srvcs, John Grogan
Sr vp-mgmt supr, Rick Evans
Vp-grp media dir, Alan Jurmain
Vp-assoc media dir, Christopher Gagen

Sources for data in this report appear on page 124.

174. ERA PLUS LAUNDRY DETERGENT

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 2,448,000	$ 1,925,000
Natl. Sun. mags.	—	190,000
Network tv	7,399,000	8,607,000
Spot tv	7,057,000	5,833,000
Network radio	—	—
Outdoor	—	—
Network cable	433,000	(No data)
Newspapers	62,000	193,000
Total	**$17,399,000**	**$16,748,000**

Marketing/brand management:
Div mgr, B. L. Byrnes
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Leo Burnett, Chicago
Sr vp-grp dir, Peter Husting
Vp-acct dir, William McBride
Acct exec, Lisa Cox
Exec vp media srvcs div, Willard Hadlock
Media dir, Robert Kirkpatrick

175. POST FRUIT & FIBRE CEREAL

General Foods Corp.

	Media investments	
	1985	1984
Magazines	$ 2,985,000	$ 1,588,000
Natl. Sun. mags.	190,000	—
Network tv	10,913,000	6,965,000
Spot tv	2,331,000	1,544,000
Network radio	—	—
Outdoor	—	—
Network cable	735,000	(No data)
Newspapers	227,000	460,000
Total	**$17,381,000**	**$10,558,000**

Marketing/brand management:
Vp-gm, D. F. Hurwitt
Mktg mgr, David J. Gustin
Ctgry mgr, Martha Crosby Jacobs
Parent: Philip Morris
The media group includes:
Dir media srvcs, David K. Braun
Assoc dir media srvcs, D. J. Miceli
Mgr lcl media, Gary Gruneburg
Asst mgr lcl media, I. Roche

Mgrs plng/buying: Brenda Giuffre (net), Kathy Riordan (print), Jonathan Sims (rsrch)
Media asst, Bobby Asano
Agency: Grey, New York
Sr vp acct mgmt, Malcolm Mace
Exec vp media & prog srvcs, Alec Gerster
Vp-assoc media dir, John Jacobs

176. LOWENBRAU BEER

Miller Brewing Co.

	Media investments 1985	Media investments 1984
Magazines	$ 594,000	$ 151,000
Natl. Sun. mags.	—	—
Network tv	9,050,000	12,387,000
Spot tv	7,192,000	5,762,000
Network radio	—	—
Outdoor	8,000	14,000
Network cable	345,000	(No data)
Newspapers	167,000	18,000
Total	**$17,356,000**	**$18,332,000**

Marketing/brand management:
Pres, William K. Howell
Vp brand mgmt, Robert A. Toledo
Grp prod dir, Jay Neidenberg
Brand mgr, Tamara J. Hauck
Asst brand mgrs: Richard Burgon, Robb DeGraff
Agency: J. Walter Thompson, Chicago
Sr vp-acct dir, Will Howard
Acct suprs: Cynthia Caples, Dermid Eagen
Acct rep, Nancy Statza
Acct coor, Melissa Sturgeon

177. ZALE'S JEWELRY

Zale Corp.

	Media investments 1985	Media investments 1984
Magazines	$ 601,000	$ 276,000
Natl. Sun. mags.	17,000	—
Network tv	8,853,000	4,420,000
Spot tv	3,860,000	3,755,000
Network radio	3,913,000	2,210,000
Outdoor	—	—
Network cable	90,000	(No data)
Newspapers	(No data)	(No data)
Total	**$17,334,000**	**$10,661,000**

Marketing/brand management:
Chmn, Kent Cort
Adv dir, Bill Harris
Rtl adv mgr, Becky Higgins
Agency: The Bloom Agency, Dallas
Sr vp-mgmt supr, Sherri Babcock
Acct supr, Betty Tapella
Acct exec, Jill Gibbon
Vp media, Jim Rienstra
Grp media dir, Janice Ponder

178. DEXATRIM REDUCING CAPSULES

Thompson Medical Co., Inc.

	Media investments 1985	Media investments 1984
Magazines	$ 1,077,000	$ 2,396,000
Natl. Sun. mags.	—	—
Network tv	12,723,000	6,620,000
Spot tv	1,854,000	3,689,000
Network radio	—	—
Outdoor	—	—
Network cable	1,672,000	(No data)
Newspapers	—	—
Total	**$17,326,000**	**$12,705,000**

Marketing/brand management:
Vp mktg, Ron Stern
Brand mgr, Linda Holland
Dir media srvcs, Richard Zakin
Asst to dir, Pat Mattera
Agency: Saatchi & Saatchi, N.Y.
Exec vp-mgmt dir, Tom Lom
Sr vp-mgmt supr, Ericka Witnauer
Vp-acct supr, Charlotte Glinka
Sr vp media, Carol Karasick
Media dir, Steve Fajen
Acct coor, Nanette Schneeberg
Vp-assoc media dir, Ken Sacharin
Sr media plnr, Jeff Greif
Asst media plnr, Marianne Tracy
Sr vp-crtv dir, Don Blauweiss
Vp-deputy crtv dir, Richard Lynne

179. IVORY SHAMPOO & CONDITIONER

[Joint product ads]

The Procter & Gamble Co.

	Media investments 1985	Media investments 1984
Magazines	$ 1,932,000	$1,466,000
Natl. Sun. mags.	—	—
Network tv	10,187,000	4,974,000
Spot tv	4,199,000	2,160,000
Network radio	392,000	120,000
Outdoor	—	—
Network cable	600,000	(No data)
Newspapers	—	—
Total	**$17,310,000**	**$8,720,000**

Marketing/brand management:
Div mgr, W. B. Connell
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: D'Arcy Masius Benton & Bowles, New York
Adv mgr, Mike Thompson
Assoc adv mgr, John Bess
Brand mgr, Jim Ruehlmann
Acct supr, Judy Hu
Acct exec, Courtney Stimpson
Sr vp media, Richard Hamilton
Vp-assoc media dir, Jeri Dack
Asst media dir, Stephen Calder

180. HALLMARK CARDS

Hallmark Cards, Inc.

(Not including corporate ads, stuffed toys, etc.)

	Media investments 1985	Media investments 1984
Magazines	—	$ 1,191,000
Natl. Sun. mags.	—	—
Network tv	$16,578,000	21,964,000
Spot tv	227,000	1,334,000
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers	493,000	219,000
Total	**$17,298,000**	**$24,708,000**

Marketing/brand management:
Dir adv & tv prog, Brad R. Moore
Mgr prod adv, Ira Stolzer
Mgr mktg comm, Nancy Matheny
Agency: Ogilvy & Mather, N.Y.
Sr vp-grp dir, Gene O'Sullivan
Vp-mgmt supr, Linda Cornelius
Vp-acct supr, Steven Harty
Sr vp-assoc media dir, Ray Simko
Vp-asst media dir, Kristy Allen

181. SEARS AUTOMOTIVE ITEMS

Sears Roebuck & Co.

	Media investments 1985	Media investments 1984
Magazines	$ 1,000	—
Natl. Sun. mags.	—	—
Network tv	14,366,000	$18,030,000
Spot tv	1,250,000	971,000
Network radio	1,349,000	751,000
Outdoor	—	—
Network cable	324,000	(No data)
Newspapers	(No data)	(No data)
Total	**$17,290,000**	**$19,752,000**

Marketing/brand management:
Natl rtl adv mgr, William Cora
Natl adv srvc mgr, Jack Lewis
Mgr natl media srvcs (magazines, bdcst), Bernie Miller

Mgr bdcst oper, Barbara Drier
Agencies: Ogilvy & Mather, Chicago
(network tv prime time buying only)
Exec vp-managing dir, Bill Whitney
Sr vp-gm, Wim Slootweg
Sr vp-grp mgmt supr, Al Mager
Vp-mgmt suprs: Robert Vail, Randy Seffren
Acct supr, Dan Delaney
Acct supervision: Don Campbell, Jeff Totaro, Brenda Miller, Bruce Jasurda
Sr vp-media dir, Bill Behrmann
Media supr, Connie MacTaggart
Media plnr, Lisa Minella
Asst plnrs: Ketra Cover, Roman Martens, Laurie Koshgarian, Dina Kaplan
Stern Walters/Earle Ludgin, Chicago
(Direct marketing media)
Sr vp-mgmt rep, Maryanne Friend
Vp-acct suprs: Tom Radloff, Ruth Motzer
Vp-media dir, Don Kaminky
Media suprs: John Kacmarek, Linda McLaughlin
Hispanic markets agency: Hispania/JWT, Chicago
Sr vp-gm, Caroline Demy (N.Y.)
Acct supr, Marta Perez
Media dir, Nancy Tellet (N.Y.)

182. BARTLES & JAYMES WINE COOLER

Bartles & Jaymes

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$13,304,000	—
Spot tv	3,883,000	—
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers	—	—
Total	**$17,187,000**	**—**

Marketing/brand management:
Vp mktg, David Gallo
Vp brand mgmt, Gerry Glasgow
Mktg dir, Doug Rogers
Brand mgr, Craig Battisford
Media dir, Sue McClelland
Parent: E. & J. Gallo
Agency: Hal Riney, San Francisco
Sr vp-grp dir, Sam Hershfield
Acct supr, Marty Wenzell
Sr vp-media dir, Pat McCall
Assoc media dir, Jeanette Gatto
Media buyer, Paul McClure

183. WISK DETERGENT

Lever Brothers Co.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	—	$ 257,000
Network tv	$10,371,000	12,818,000
Spot tv	6,398,000	5,186,000
Network radio	223,000	—
Outdoor	—	—
Network cable	101,000	(No data)
Newspapers	—	16,000
Total	**$17,093,000**	**$18,277,000**

Marketing/brand management:
Pres household prod div, John Cookson
Vp mktg, John Speirs
Mktg mgr, George Mayer
Parent: Unilever
Agency: BBDO, New York
Exec vp-sr mgmt rep, Kenneth Rogers
Sr vp-mgmt supr, William Heath
Vp-acct supr, Don Maurer
Vp-assoc media dir, Nora Gallick
Sr media plnr, Stella Sznajderman

184. LA BEER

Anheuser-Busch, Inc.

	Media investments 1985	1984
Magazines	—	$ 742,000
Natl. Sun. mags.	—	—
Network tv	$14,097,000	19,218,000
Spot tv	1,530,000	783,000
Network radio	66,000	2,036,000
Outdoor	21,000	872,000
Network cable	1,338,000	(No data)
Newspapers	20,000	1,618,000
Total	**$17,072,000**	**$25,269,000**

Marketing/brand management:
Exec vp mktg, Michael J. Roarty
Vp brand mgmt, Jack MacDonough
Vp corp media/sports mktg, Charles B. Fruit
Grp mktg mgr, Tom Sharbaugh
Prod mgr, Bob Gunthner
Agency: D'Arcy Masius Benton & Bowles, St. Louis
Sr vp-mgmt rep, Todd Abrams
Vp-acct grp supr, Tim Rodgers
Sr acct exec, Bill Morgan
Vp-assoc media dir, Nancy Elswick
Media mgr, William O'Neill

185. HILTON HOTELS

Hilton Corp.

(Not including ads solely for Hilton Hotels in Hawaii, Conrad Hotels, restaurants, etc.)

	Media investments 1985	1984
Magazines	$ 7,535,000	$ 5,719,000
Natl. Sun. mags.	174,000	4,000
Network tv	4,930,000	2,103,000
Spot tv	2,585,000	1,677,000
Network radio	—	—
Outdoor	1,648,000	1,576,000
Network cable	124,000	(No data)
Newspapers	—	—
Total	**$16,996,000**	**$11,079,000**

Marketing/brand management:
Vp mktg, James Collins
Brand mgr, Arthur Thompson
Agency: McCann-Erickson, L.A.
Vp-grp dir, Don Transeth
Acct suprs: John Thompson, Carol Begelman
Sr vp media, Debra Labinson
Vp-assoc media dir, Elsa Saldana
Media supr, Lorraine Klarl

186. TOYS "R" US STORES

Toys "R" Us, Inc.

	Media investments 1985	1984
Magazines	$ 2,464,000	$ 866,000
Natl. Sun. mags.	—	—
Network tv	3,294,000	—
Spot tv	10,781,000	13,045,000
Network radio	—	—
Outdoor	339,000	184,000
Network cable	—	(No data)
Newspapers	(No data)	(No data)
Total	**$16,878,000**	**$14,095,000**

Marketing/brand management:
Vp-mktg, Ernest Speranza
Mktg dir, Pam Troxel
Brand mgr, Susan Montecallo
Agency: Grey, New York
Sr vp-grp dir, Bob Ravitz
Vp-acct supr, John Cummo
Acct supr, Jane Steimer

Alphabetical index to 1985's top spenders is on page 55.

187. TIME MAGAZINE CIRCULATION

Time, Inc.

	Media investments	
	1985	1984
Magazines	$ 374,000	$ 153,000
Natl. Sun. mags.	—	—
Network tv	44,000	—
Spot tv	10,056,000	10,601,000
Network radio	—	—
Outdoor	—	—
Network cable	4,424,000	(No data)
Newspapers	1,907,000	1,444,000
Total	**$16,865,000**	**$12,198,000**

Marketing/brand management:
Dir corp circ prom, David Roberts
Agency: Wunderman, Ricotta & Kline, N.Y.
(Direct response tv)
Pres, Steven Dapper

188. CHEER DETERGENT

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 922,000	—
Natl. Sun. mags.	—	—
Network tv	9,106,000	$2,676,000
Spot tv	6,290,000	6,778,000
Network radio	—	—
Outdoor	—	—
Network cable	441,000	(No data)
Newspapers	—	—
Total	**$16,759,000**	**$9,454,000**

Marketing/brand management:
Div mgr, B. L. Byrnes
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Leo Burnett, Chicago
Sr vp-grp dir, Peter Husting
Vp-acct dir, William McBride
Acct exec, Mary Dooley
Exec vp media srvcs div, Willard Hadlock
Media dir, Robert Kirkpatrick

189. ARBY'S RESTAURANTS

Arby's, Inc.

	Media investments	
	1985	1984
Magazines	$ 440,000	—
Natl. Sun. mags.	—	—
Network tv	5,803,000	$ 4,424,000
Spot tv	10,083,000	8,138,000
Network radio	—	—
Outdoor	397,000	462,000
Network cable	28,000	(No data)
Newspapers	(No data)	(No data)
Total	**$16,751,000**	**$13,024,000**

Marketing/brand management:
Grp vp mktg, Frank Belatti
Sr vp brand mgmt, Larry Krueger
Vp mktg, Tom Whitley
Dir sls prom, Melinda Ennis
Dir mktg srvcs, Mark Oatman
Dir mktg comm, Mark Stine
Parent: Royal Crown Cos.
Agency: Backer & Spielvogel, N.Y.
Sr vp-grp dir, Randy Lindel
Vp-acct supr, Phoebe Jane Moore
Acct supr, Tobi Hochman
Acct exec, Susan Haimowitz
Sr vp media, Charles Rutman
Media dir, Steve Auerbach

190. CAMAY SOAP

The Procter & Gamble Co.

	Media investments	
	1985	1984
Magazines	$ 2,318,000	$ 102,000
Natl. Sun. mags.	—	—
Network tv	9,483,000	530,000
Spot tv	4,276,000	622,000
Network radio	—	—
Outdoor	—	—
Network cable	589,000	(No data)
Newspapers	—	—
Total	**$16,666,000**	**$1,254,000**

Marketing/brand management:
Div mgr, C. C. Carroll
Adv mgr, R. H. Van Wagener
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Leo Burnett, Chicago
Sr vp-grp dir, Peter Husting
Vp-acct dir, Mary Bishop
Acct exec, Sharon D'Agostino
Exec vp media srvcs div, Willard Hadlock
Media dir, Robert Kirkpatrick

191. DORITO CHIPS

Frito-Lay, Inc.

	Media investments	
	1985	1984
Magazines	—	—
Natl. Sun. mags.	—	—
Network tv	$13,053,000	$11,589,000
Spot tv	665,000	1,272,000
Network radio	1,804,000	338,000
Outdoor	—	—
Network cable	1,085,000	(No data)
Newspapers	10,000	—
Total	**$16,617,000**	**$13,199,000**

Marketing/brand management:
Sr vp sls & mktg, Leo Kiely
Vp brand mgmt, Laurie Veesan
Mktg dir, Mike Maloney
Dir adv srvcs, Pat Korr-Roschke
Parent: PepsiCo
Agency: Tracy-Locke, Dallas
Vp-acct supr, Terry Davenport
Vp-mgmt supr, Mike Rawlings
Acct exec, Irene Little
Vp-media dir, Jouette Travis
Media supr, Mike Ritzman
Assoc media supr, Bob Nichol

192. MAZDA RX7 CAR

Mazda Motors of America (Central), Inc.

	Media investments	
	1985	1984
Magazines	$ 5,543,000	$ 5,581,000
Natl. Sun. mags.	—	—
Network tv	9,095,000	6,000,000
Spot tv	1,122,000	1,533,000
Network radio	—	—
Outdoor	1,000	6,000
Network cable	469,000	(No data)
Newspapers*	362,000	405,000
Total	**$16,592,000**	**$13,525,000**

*M&MD estimates

Marketing/brand management:
Sr vp-gm, R. E. Hayden
Vp mktg, Duane Bowen
Sr vp-gm (MMA-East), Jim Trado
Agency: Foote, Cone & Belding, Los Angeles
Sr vp-grp mgmt dir, Welton Mansfield
Media dir, Robert MacDonald (Santa Ana)

193. HEAD & SHOULDERS SHAMPOO

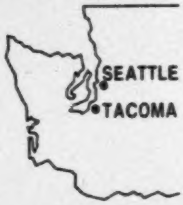
The Procter & Gamble Co.

(Not including ads solely for Head & Shoulders Conditioning Shampoo)

	Media investments 1985	1984
Magazines	$ 2,629,000	$ 2,009,000
Natl. Sun. mags.	—	—
Network tv	8,222,000	10,240,000
Spot tv	3,827,000	4,127,000
Network radio	—	211,000
Outdoor	—	—
Network cable	1,854,000	(No data)
Newspapers	—	—
Total	**$16,532,000**	**$16,587,000**

Marketing/brand management:
Div mgr, W. B. Connell
The media group includes:
Media dir, J. W. Van Cleave
Asst media dir, Gordon Young
Media mgrs: E. R. Plowden, Lynne C. Veil, James R. Maxwell III, Marian Grant
Media suprs: James P. Connell, S. E. Bentzinger, John Taylor, Stuart Kunkler
Net scheduler, Dinah J. Noble
Media assts: Judy Markel, Ann Barrows, Thomas F. Frank
Agency: Tatham-Laird & Kudner, Chicago
Sr ptner-grp acct dir, Bob Hielscher
Mgmt supr, Dawn Hudson
Acct exec, Dirk Herrman
Asst acct exec, Janet Minnis
Dir media oper, Phillip Gerber
Assoc media dir, Mary Krueger
Media supr, Luann Hamel
Media plnr, Tim Koelzer
Asst plnr, Kristin Kurth
Print coor, Felicia Marshall

A Tale of Two Cities



In either the best or worst of economic times, it doesn't make sense to buy newspapers that can't effectively reach the whole Seattle-Tacoma CMSA. Though Tacoma is but a mere 35 miles south of Seattle, it is a market largely unreached by Seattle newspapers.

If you want to reach the entire metro area, add The Tacoma News Tribune to your advertising schedule. You'll reach 236,400 adults every day.

Reach the Tacoma portion of this market with a Tacoma newspaper. In terms of gaining results, it would be a far, far better thing to do.

For more information, contact Doug Harris at 206-597-8757 or talk to a Sawyer-Ferguson-Walker representative.

The Tacoma News Tribune

P.O. BOX 11000,
TACOMA, WASHINGTON 98411

194. EXCEDRIN EXTRA-STRENGTH TABLET & CAPSULE ANALGESIC

(joint product ads)

Bristol-Myers Co.

	Media investments 1985	1984
Magazines	$ 1,260,000	$ 719,000
Natl. Sun. mags.	—	—
Network tv	12,949,000	12,732,000
Spot tv	1,841,000	2,182,000
Network radio	—	117,000
Outdoor	—	—
Network cable	459,000	(No data)
Newspapers	—	—
Total	**$16,509,000**	**$15,750,000**

Marketing/brand management:
Sr vp sls & mktg, Steven Bear
Grp prod mgr, Patty Kriger
Mktg dir, Beth Culligan
Agency: D'Arcy Masius Benton & Bowles, New York
Vp-acct supr, James Barickman
Acct exec, Lorraine Arado
Asst acct exec, Mimi Myint-Hpu
Sr vp-mgmt supr, Lucille Cotungo
Exec vp, Rein Luik
Media plnr, Patience Fleming
Media plng dir, Eugene Huber

195. COVER GIRL MAKE-UP

Noxell Corp.

	Media investments 1985	1984
Magazines	$ 4,718,000	$ 3,735,000
Natl. Sun. mags.	—	—
Network tv	11,149,000	7,722,000
Spot tv	464,000	396,000
Network radio	—	—
Outdoor	—	—
Network cable	174,000	(No data)
Newspapers	—	—
Total	**$16,505,000**	**$11,853,000**

Marketing/brand management:
Vp cosmetic mktg, Peter M. Troup
Grp prod mgrs: A. Randy Floss, Donald S. Petit
Sr prod mgr, Robert K. McWilliams
Prod mgrs: Susan Sebulsky, Jane Mueller, Barbara Narris, Al Sanchez
Agency: SSC&B, New York
Exec vp, F. Stone Roberts
Sr vp-mgmt supr, Sheri L. Colenel
Vp-mgmt supr, Donna M. Squilla
Exec vp media, Robert Lilly
Vp-media dir, Loretta Volpe
Vp-assoc media dir, Priscilla Sager
Asst media dirs: Donna Cataldo, Kathy Martino

196. RENAULT ALLIANCE CAR

Renault Inc.

	Media investments 1985	1984
Magazines	$ 4,325,000	$ 4,013,000
Natl. Sun. mags.	—	—
Network tv	11,177,000	15,848,000
Spot tv	263,000	503,000
Network radio	—	—
Outdoor	171,000	222,000
Network cable	298,000	(No data)
Newspapers	227,000	53,000
Total	**$16,461,000**	**$20,639,000**

Marketing/brand management:
Renault:
Pres, Pierre Gazarian
AMC:
Dir adv & mkt plng, David L. Kerr
Adv mgr, Marvin Klein
Mgr media & budgets, Robert G. Wildberter
Parent: American Motors
Agency: Saatchi & Saatchi, N.Y.
Vc chmn, Phillip Voss
Vp-acct supr, David Van Peursch

197. CHEERIOS CEREAL

General Mills, Inc.

	Media investments 1985	1984
Magazines	$ 30,000	$ 3,000
Natl. Sun. mags.	—	—
Network tv	7,172,000	5,701,000
Spot tv	8,210,000	8,436,000
Network radio	—	—
Network cable	1,014,000	(No data)
Newspapers	10,000	14,000
Total	**$16,436,000**	**$14,154,000**

Marketing/brand management:
Vp-dir mktg srvcs, David D. Murphy
Prod mgr, Rick Schaeffer
Adv srvcs dir, Robert J. Blake
Media srvcs dir, Hal Nitch
Media mgr, Lon W. Bencini
Agency: DFS, New York

Exec vp-mgmt supr, E. F. Bunn
Vp-mgmt supr, Michael Burns
Exec vp-dir mktg servcs, Allen Banks
Sr vp-sr assoc media dir, Jack Irving
Vp-assoc media dir, R. Greenberg

198. LISTERINE MOUTHWASH

Warner-Lambert Co.

	Media investments 1985	1984
Magazines	$ 2,793,000	$ 3,378,000
Natl. Sun. mags.	—	—
Network tv	8,647,000	9,610,000
Spot tv	4,813,000	3,989,000
Network radio	—	—
Outdoor	—	—
Network cable	162,000	(No data)
Newspapers	—	10,000
Total	**$16,415,000**	**$16,987,000**

Marketing/brand management:
Vp mktg, John Walsh
Category dir, Anne Gladding
Sr brand mgr, Lynne Millheiser
Agency: J. Walter Thompson, New York
Sr vp-grp dir, Jack Morrissey
Vp-sr acct supr, Dolly Bodick
Acct exec, Chris Bohjalian
Exec vp-U.S. dir media srvcs, Richard Kostyra
Sr vp-dir media plng, John Gray
Vp-assoc media dir, Ronnie Beason
Media supr, Betsy Davis
Media, plnr, Anne Cutler

199. TOYOTA MR2 CAR

Toyota Motor Sales U.S.A., Inc.

	Media investments 1985	1984
Magazines	$ 4,637,000	—
Natl. Sun. mags.	—	—
Network tv	6,980,000	—
Spot tv	2,882,000	—
Network radio	10,000	—
Outdoor	295,000	—
Network cable	535,000	(No data)
Newspapers*	1,067,000	—
Total	**$16,406,000**	—

*M&MD estimate

Marketing/brand management:
Vp-mktg dir, George Borst
Brand mgmt, Charles Valentine
Brand mgr: Dave Danzer

Agency: DFS Dorland Worldwide/ S. Calif. (Torrance)
Sr vp-grp dir, Joe Chanin
Vp-grp act suprs: Warren Benjamin, Ray Damiano
Acct suprs: Dave Doyce, John Russell
Acct execs: John Bucci, Linda Malley, Steve Jett
Sr vp media, Richard Weigand
Sr vp-media dir, Nora Lapham
Assoc med dir, Katherine Galicich

200. NATIONAL PARAGON PARADE BOOK ADS

National Paragon Corp.

	Media investments 1985	1984
Magazines	—	—
Natl. Sun. mags.	$16,401,000	$ 9,439,000
Network tv	—	—
Spot tv	—	—
Network radio	—	—
Outdoor	—	—
Network cable	—	(No data)
Newspapers	—	—
Total	**$16,401,000**	**$ 9,439,000**

Marketing/brand management:
Pres, Al Rosenthal
Agency: direct

The biggest-spending categories and their top brand families are listed beginning on page 56.

Sources

Consumer magazines and national Sunday magazines: Data summarized from the PIB Magazine Analysis prepared by Leading National Advertisers Inc. (LNA) of actual linage run in those publications. Expenditures are based on current one-time gross rates before discounts. Rates for national full-run insertions are based on ad size and coloration. Rates for regional and less than full-run insertions are determined by LNA editors based on circulation and rates supplied by the magazines. Covered are more than 135 consumer magazines and three national Sunday magazines, plus tear sheets of over 1,500 regional editions a year.

Newspapers: Data compiled by Media Records, which measured every ad in 213 daily and Sunday newspapers. Actual linage is multiplied by the applicable one-time general open-line rate. Dollar estimates include newspaper supplements, color comic sections, rotogravure, all color ads. *Marketing & Media Decisions* has added estimates of local expenditures in newspapers by the five leading chain retailers because the extent of their operations makes their brands, in effect, "nationally" advertised as well as distributed.

Network TV, Cable TV Networks, Network Radio: Broadcast Advertisers Reports (BAR) monitors the ABC, CBS and NBC television networks; six cable TV networks, CBN, CNN, ESPN, MTV, USA and WTBS (only 1985 data shown); and 15 radio networks aired by five network companies. The complete broadcast day, every day of the year is recorded on magnetic tape, from which BAR editors create sequential logs of programs and commercial activity. Program and/or time period rates are secured from various industry sources each month and are applied to the commercial activity, resulting in estimated brand expenditures in each medium.

Spot TV: Broadcast Advertisers Reports (BAR) monitors 319 stations in 75 top markets every month. New York, Los Angeles and Chicago stations are monitored every day. Stations in 72 markets are monitored for one random week each month. All monitoring is recorded on magnetic tape, with editors creating sequential logs of programs and commercial activity. Spot TV rates for each station are secured from various industry sources and are continuously updated. The one-week monitoring is projected to a full month and combined with the every-day monitoring in the top three markets to provide estimated brand expenditures. About 90% of the national/regional spot TV dollars are spent in the 75 BAR markets.

Outdoor: Data are based on information submitted to Leading National Advertisers (LNA) at the request of the Institute of Outdoor Advertising by outdoor plant operators in markets of 100,000 population or over. Covered is about 80% of total national outdoor advertising expenditures.

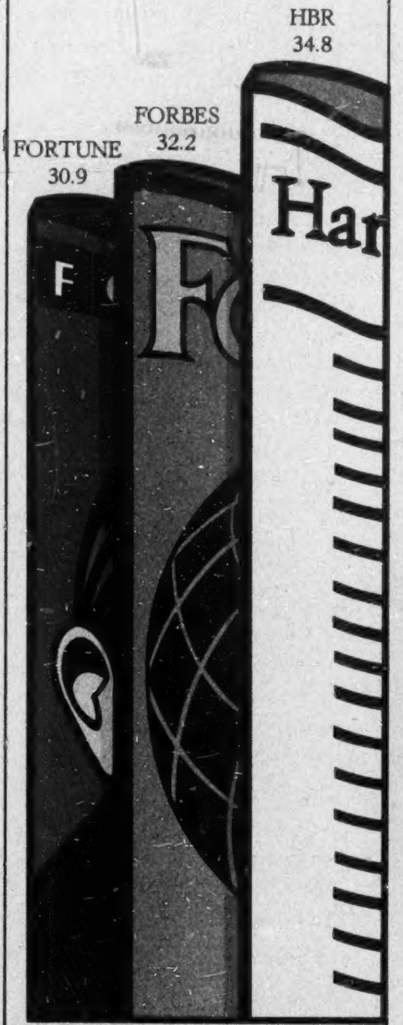
Brand dollar estimates are retabulated by *Decisions* by major brand name from the data just described. This represents the one place where brand data from all these sources are presented together. The brand data in greater detail is also available from each of the organizations that compile the data. Leading National Advertisers publishes detailed listings of the information on magazines, national Sunday magazines, network tv, spot tv, network radio, and outdoor. References to LNA classifications are provided throughout this report for further reference in LNA's reports: Company/ Brand $; Class/Brand $.

The 200 team

Project editors: Patrick Kelly
Les Luchter

LEAD STORY.

Here's one for the books. Mendelsohn reports that for every advertising dollar spent, HBR delivers more affluent executive, managerial and administrative adults than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.



Executive, Managerial, Administrative Adults
Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review
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cal medium — can be used for tailored local promotional efforts. Local radio promotions and tie-ins have become an increasingly effective and efficient way of building local excitement among both the consumer and the clients' sales force or resellers, be they agents or the trade. Tying in with local deejays, civic events, sports franchises, theme parks, concerts and the like can be a very effective way for advertisers to increase local market presence and sales.

Radio's growth the last several years has resulted from the medium's own built-in strengths and its strategic marketing efforts, as well as events themselves. The medium will be challenged to anticipate trends and react to them in the years ahead in order to continue to enjoy successful growth. If the medium continues to respond to the challenges, we envision that radio, on all levels, can continue to enjoy significant growth throughout the remainder of this decade, and indeed for the rest of this century. ■

NEWSPAPERS

by Lori Greenberg

Assistant media planner, BBDO

LEARNING TO MARKET

Newspapers have had to overcome many obstacles over the past decade, ranging from decreases in circulation and readership to censure from their peers. However, the industry has taken numerous steps to meet these competitive challenges and regain reader loyalties.

Editors have had to face a society with new values and expanded interests.

The newspaper industry came to the realization that change was needed when it experienced declines in circulation and circulation penetration (number of newspapers sold vs. population in a given market) back in the early 1970's. During this time readership committees met around the country and major readership projects were undertaken to determine readers' current needs. Newspapers were faced with a rapidly transforming society with new values and expanded interests, a society they could no longer approach in the same editorial manner.

One of the major readership studies was conducted in the late 1970's, commissioned through the American Society of Newspaper Editors as part of the Newspaper Readership Project. That study sought to determine the primary problems readers had with their newspapers. The study indentified the following areas that were not being addressed by newspapers:

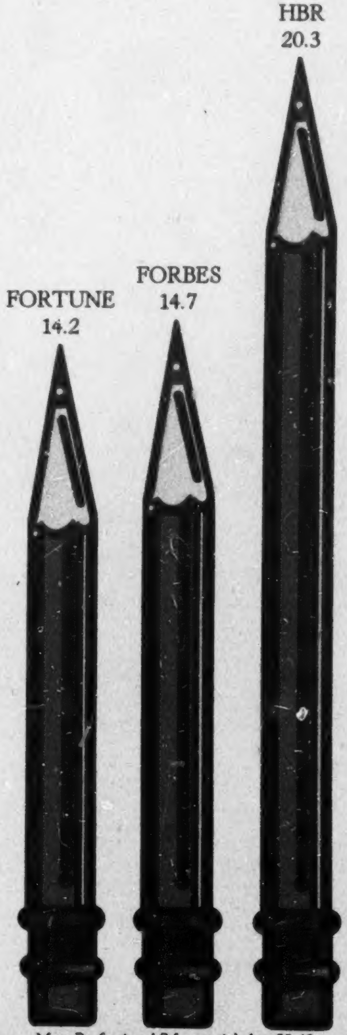
- Reader-editor gap
- New social contract
- Personal journalism
- Self-fulfillment
- Information explosion

Basically, a gap existed between what readers needed and expected and what editors were offering. Readers wanted news presented in a more personable fashion and information pertaining to themselves, their needs and daily problems. Readers especially noted a lack of adequate local news coverage, which they cited as important in establishing a more personal relationship with the newspaper.

In addition to these reader problems, newspapers had one more strike working against them: the era of the information explosion and the broad range of media choices. Increasing daily demands impinged upon people's time to involve themselves in an abundance of information.

TAKE NOTE.

Mendelsohn points out that for every advertising dollar, HBR delivers more affluent professional/managerial men aged 35-49 than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.



Men, Professional/Managerial, Age 35-49
Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review
New York (212) 972-0740
Boston (617) 495-6182

The disorderliness of the editorial format turned readers away from newspapers. Readers wanted to pick and choose articles of interest and discard the rest.

The creation of special sections was the first step in servicing reader demands and targeting in on varied interests. Led by the *New York Times*, the industry began publishing separate sections focusing on one topic each day of the week. By 1979, most newspapers in the top 10 markets offered a specialized daily section. Smaller newspapers were soon to follow after experiencing reader requests for the same editorial changes.

Although special sections satisfied one aspect of readers' new requirements, newspapers were still not enjoying the circulation increases they had hoped for. Subsequently, newspapers began to rely on syndicated research and often conducted proprietary studies to better understand people's behavior and attitudes.

As the research uncovered who readers were, newspapers began modifying their product. The areas of health and fitness, entertainment, science and technology, business and personal finance increasingly showed up as topics of interest. Newspapers responded by offering special sections and columns about these subjects.

In response to the need for better and more expanded local coverage, newspapers have improved and reformulated their zoned editions within the past five years. Prior to this time, zoning was more of a geographic reprint of local front page news, with articles and advertisements dispersed throughout the paper. Recently, some zoned editions contain local sections with titles such as "Neighbor" distributed to different market areas.

Newspapers learned (or learned to accept) what other packaged goods advertisers already knew: They could increase circulation by increasing awareness in their respective markets. Perhaps one of the most aggressive actions taken has been in self-promotion. Newspaper advertising is not a new phenomenon. Subscription ads have appeared inside newspapers for years. What is new, however, is newspaper advertising in local media which has been steadily increasing year by year.

TABLE I
TOTAL DAILY CIRCULATION
(000)

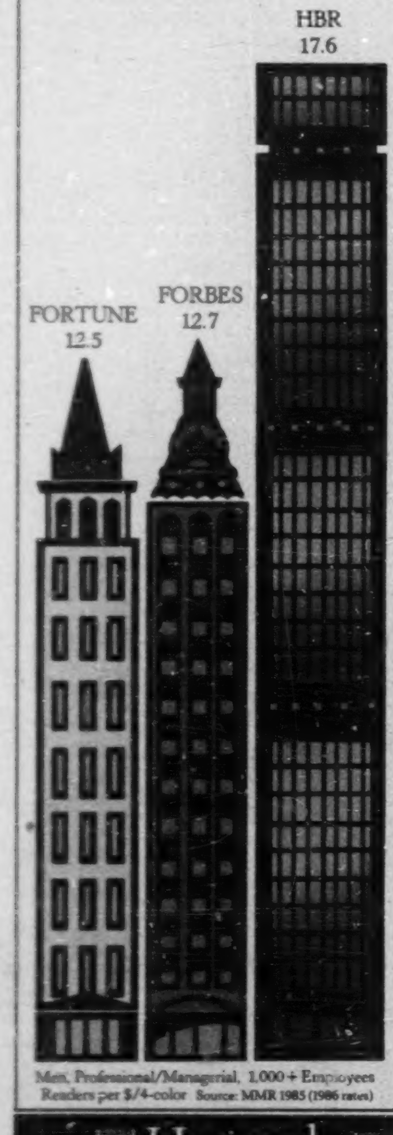
1960	58,900
1965	60,400
1970	62,100
1975	60,700
1980	62,200
1981	61,400
1982	62,500
1983	62,800
1984	63,100
1985	62,700

TABLE II
TOTAL NEWSPAPER ADVERTISING EXPENDITURES IN SPOT TELEVISION AND SPOT RADIO

	SPOT TELEVISION ($000)	% CHANGE	SPOT RADIO ($000)	% CHANGE	TOTAL TV & RADIO ($000)	% CHANGE
1980	17,418.4	–	1,042.1	–	18,460.5	–
1981	20,437.4	+17%	744.3	–29%	21,181.7	+15%
1982	22,398.9	+12%	1,112.6	+49%	23,511.5	+13%
1983	30,746.3	+34%	3,076.2	+176%	33,822.5	+41%
1984	33,164.0	+8%	3,660.8	+19%	36,824.8	+9%
1985	38,200.0	+15%	7,952.1	+117%	46,152.1	+25%

SKY HIGH.

The one publication read by more affluent professional/managerial men in companies with more than 1,000 employees isn't Forbes or Fortune. It's HBR. If you want to reach the people at the top, reach for the Review.



Men, Professional/Managerial, 1,000+ Employees
Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review
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Exhibit II (page 146) illustrates total industry expenditures in spot television and spot radio since 1980. Much of this is due in part to the heavy competition and the necessity to steal market share.

With antiquated promotion departments evolving into full-scale marketing departments, some of the markets have turned into battlegrounds. Image-based campaigns denote the achievement of success by those who read the paper. Some use a comical approach and even state-of-the-art graphics to lure the potential reader sitting in front of that television set.

And many of these potential readers, which newspapers have fervently attempted to reach, fall within the 18-34 age range. Newspapers have historically experienced problems attracting young readers, but merely attributed it to the characteristics of youth. The main rationale had always been that once people settled down, married and began working, they would naturally read the paper to keep themselves informed of daily events. However, another readership study conducted in May 1976, "Young People & Newspapers," revealed that this pattern no longer held true. Newspaper penetration among 18-24 years olds declined from 71% in 1967 to 61% in 1974 and most recently to 55.2%.

The study cited eight major reasons as causes of the problem, which essentially parallel those stated earlier, except that television has had more of an impact on this generation. In order for newspapers to compete, they needed to incorporate the characteristics attracting people to television: summarized news, better organization, personalized writing, more representation of youth and more innovation.

An increase in leisure time and greater affluence was also noted as a cause of diminished reading. People wanted more information on entertainment, where to go and what to do.

And lastly, newspapers needed to combat their conservative image as being directed towards a middle-aged audience.

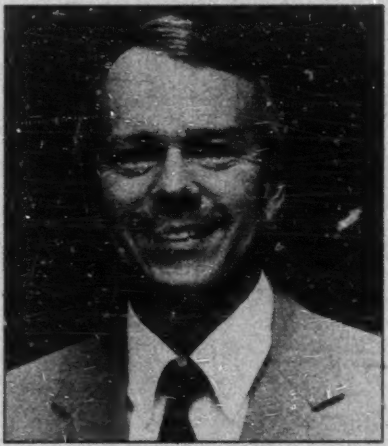
Today, many papers have included sections addressing entertainment and leisure. One example is "Calendar," a weekly entertainment tabloid in the *Orlando Sun-Sentinel* Sunday paper, introduced in late 1984. Advertising campaigns, as well, are being directed to the younger segment via television and radio, which can especially target this demographic due to programing selectivity.

Yes, newspapers have definitely made some headway since the commencement of long-term marketing efforts. Circulation has gradually risen over the past few years and many reader interests have been attended to. But the newspaper industry as a whole, while feeling positive about business, must always keep attuned to society's changing values and attitudes, remain flexible and be prepared to change itself to continue as the public's daily mirror. ■

PLANNING

by Stephen P. Phelps

Senior vice president,
deputy director of media services,
D'Arcy Masius Benton & Bowles



MEDIA PLANNING: THE MEASUREMENT . . . GAP

I am willing to wager my last TRP that if you were to ask 100 planners to guess the subject of this article, to a man (or rather, a person) they would say Single Source.

And why not? What other "buzz word" has so captured the imagination of our profession in such a short period of time? That is, with the possible exception of effective frequency, and maybe cable, not counting videotex and more recently VCR penetration and zapping, followed by split 30's — but then who's keeping count.

ECONOMIC EYE

THE PRICE OF LIBERTY

The three-day, $30 million Liberty Weekend set to subsume New York July 3-6 will fatten a few media coffers as much as it swells some American hearts.

Few doubt that Liberty Weekend will be a boost to tv in the usually sluggish summer months. "Normally early July is almost a dead spot, but this should add a lot to ABC's wallets," quips Paul M. Schulman, president of The Paul Schulman Co.

Indeed. ABC plunked down the highest bid of $10 million and won live coverage rights to the major events of the weekend. According to an ABC spokesman, the network had already approached sellout on June 10 of all commercial time for its 17.5 hours — 13 hours prime time, 4.5 hours daytime — of Liberty Weekend coverage. At $165,000 each for the 181 30-second prime time slots available, and $30,000 each for the 108 available 30-second daytime slots, ABC stands to pull in over $33.1 million — more than three times the $10 million it laid out for coverage rights.

CBS offers viewers two specials anchored by CBS News' Dan Rather. But according to a spokesman, the two-hour evening special July 3 and three-hour morning special July 4 have not been offered as a special package.

With the exception of a Nestle Foods Corp.-Kimberly-Clark Corp. joint-promotion, free-standing insert June 22 in Valassis' nearly 200 U.S. papers, newspaper sellers expect Liberty Weekend to benefit mostly local papers. The *New York Times*, for one, which ran a Liberty special section May 18, expects a related surge of restaurant, theater and retail ads. The same expectation prevails at the *New York Daily News*, which began special weekly Liberty editorial features in late May.

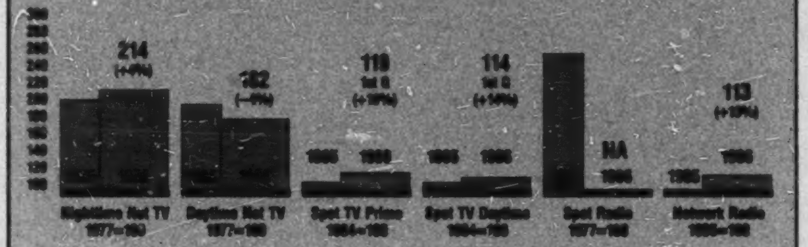
Fred Pfaff

MAGAZINE AD SCORECARD

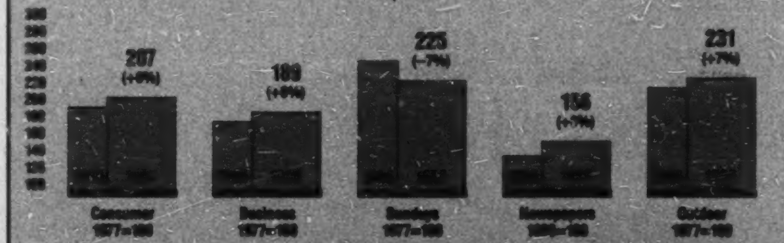
MAGAZINE AD SCORECARD	Ad Pages May 1986	% change from May 1985	Dollars spent (000)	% change from May 1985
1. Skin care, Creams, Lotions and Oils	157.12	+21.5%	$ 4,423.5	+27.6%
2. Lip and Eye Beauty Products	58.15	−41.3	2,150.1	−35.2
3. Scents and Fragrances	298.03	+9.3	7,728.6	+9.4
4. Facial Makeup Products	45.33	−43.3	1,970.8	−28.3
5. Prepared dinners and Entrees (including pizzas)	28.05	−6.0	1,881.8	+2.9
6. Liquor	361.28	−4.9	15,039.7	+3.5
7. Cigarettes	644.67	+5.3	32,267.4	+11.4
8. Soaps and Detergents	48.93	+61.3	3,348.1	+93.9
9. Passenger Cars, Domestic	451.21	+8.4	23,165.2	+20.7
10. Passenger Cars, Imported	422.78	+18.2	19,615.2	+28.2

Source: Publishers Information Bureau as prepared by Leading National Advertisers

BROADCAST COST INDEX / MARCH



PRINT COST INDEX / MARCH



Sources:

Nighttime Network TV—Cost per average 30-second spot, 7:30-11 p.m. Monday-Saturday and 7-11 p.m. Sunday from Broadcast Advertisers Reports' (BAR) Network TV Service.

Daytime Network TV—Cost per average 30-second spot, 10 a.m.-4:30 p.m. Monday-Friday from BAR's Network TV Service.

Network Radio—Cost per average 30-second radio announcement from BAR's Network Radio Service.

Consumer Magazines estimate based on reported SRDS cost of a page, four-color in 40 national consumer magazines, as reported by Magazine Publishers Assn.

National Sunday Mags estimate based on published (rate cards) costs of a page, four-color in the national entries.

Daily Newspapers estimate based on Newspaper Advertising Bureau report of SRDS costs per agate line of a sample of 786 newspapers weighted to represent the universe.

Business Publications estimate based on reported SRDS cost of a page, four-color in 48 publications representing 42 business and professional classifications.

Outdoor Posters based on estimate prepared by Institute of Outdoor Advertising.

Spot Radio index represents cost of a 60-second spot in the top 100 markets from data supplied to Radio Expenditure Reports by major radio representatives.

How to read: Media Cost Index reflects latest available costs compared with base year. Percent change shows rate of change from the same month in previous year.
*YIH=Yearly index high *YIL=Yearly index low
*AYI=Average 1985 index

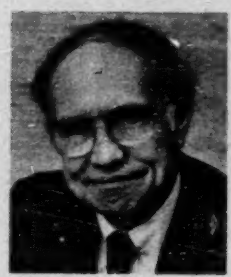
SALES PROMOTION

by Russ Bowman

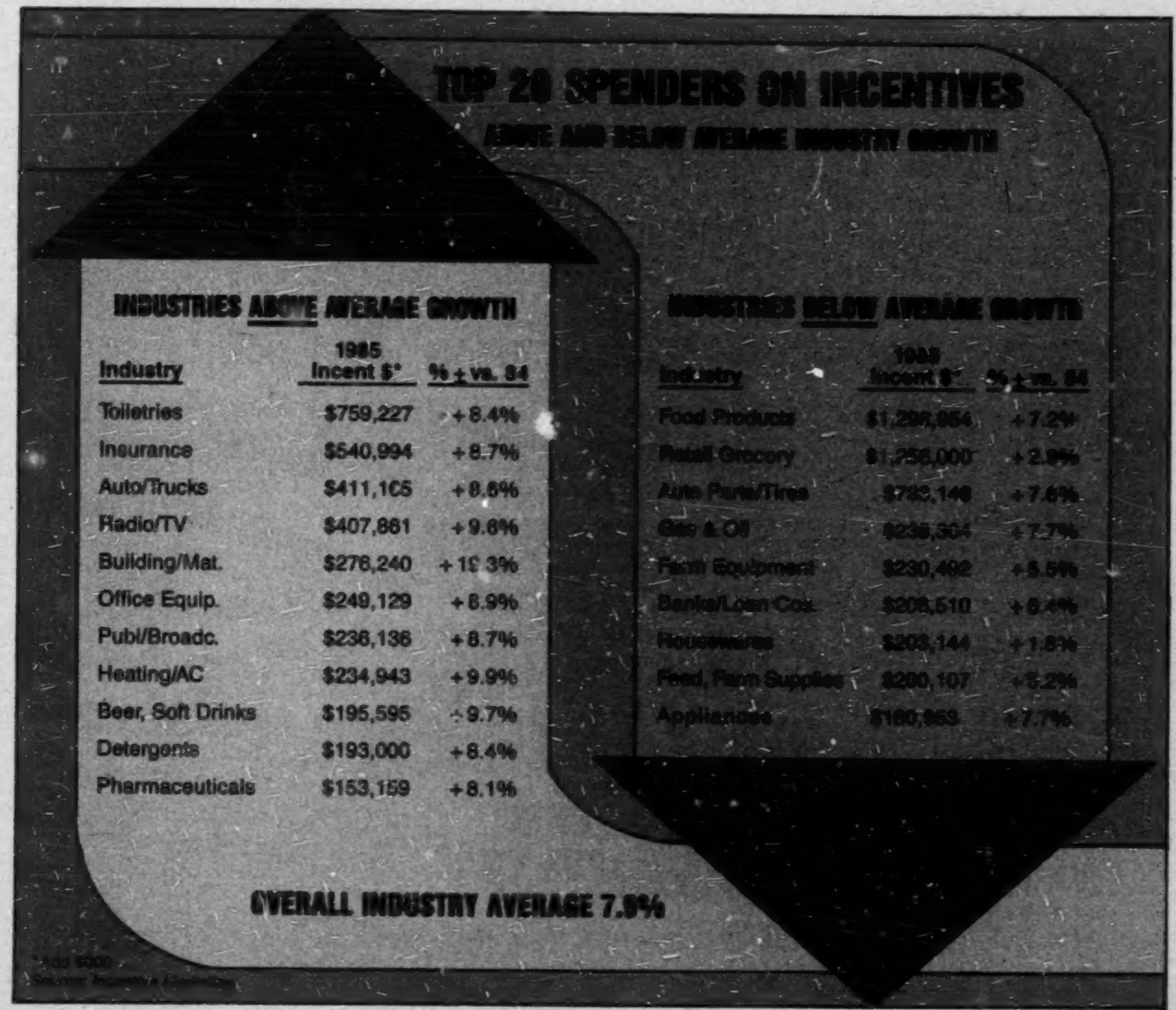
THE 1985 ANNUAL REPORT

Expenditures for all advertising and sales promotion in 1985 reached $149.3 billion. And throughout the year there have been some pretty significant trends, both in general economic and demographic shifts as well as more specific trends for the marketing business.

Business people — especially marketing types — are flooded with data on economic and demographic trends. What's important are the implications on sales promotion planning and promotional media. Here, the message is clear. No longer can we view America as millions of households with Mom and Pop and 2.6 children, with hubby working and the wife busy all day in the kitchen and the nursery.



- Women will contribute 40% of family incomes by 1990 vs. 25% in 1980.
- In 1959 12% of families had two earners; today 40% do.
- From 1970-1983, single (non-family) households were up 89%.
- There are now more Americans over 65 than there are teenagers.
- People 50+ are the fastest growing segment with more wealth. They control over 80% of U.S. savings.
- Non-whites who accounted for 21% of the population in 1980 will grow to 42% in the next 100 years.



TOP 20 SPENDERS ON INCENTIVES

ABOVE AND BELOW AVERAGE INDUSTRY GROWTH

INDUSTRIES ABOVE AVERAGE GROWTH

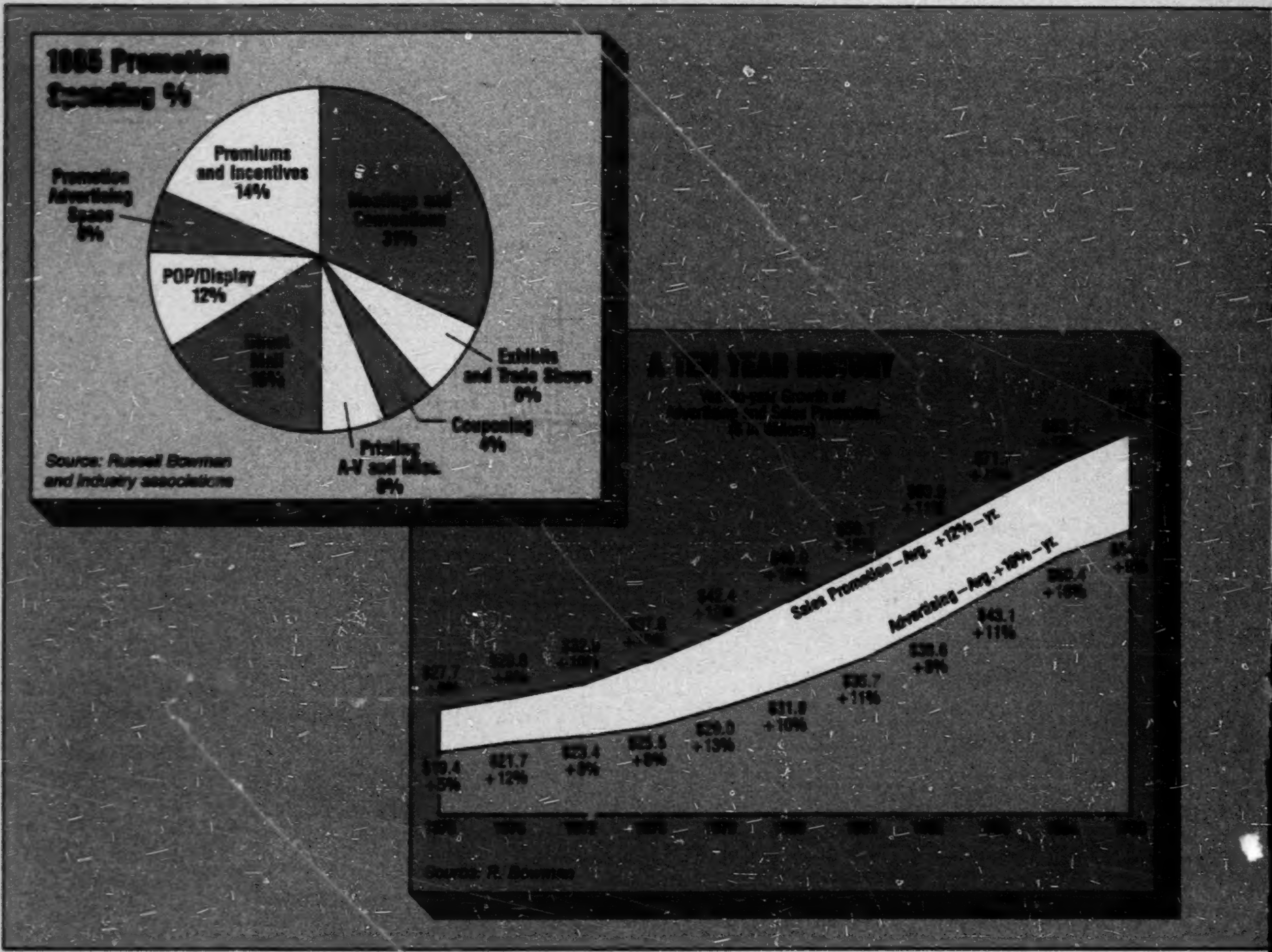
Industry	1985 Incent $*	% ± vs. 84
Toiletries	$759,227	+8.4%
Insurance	$540,994	+8.7%
Auto/Trucks	$411,105	+8.6%
Radio/TV	$407,881	+9.6%
Building/Mat.	$276,240	+1[illegible].3%
Office Equip.	$249,129	+8.9%
Publ/Broadc.	$236,136	+8.7%
Heating/AC	$234,943	+9.9%
Beer, Soft Drinks	$195,595	+9.7%
Detergents	$193,000	+8.4%
Pharmaceuticals	$153,159	+8.1%

INDUSTRIES BELOW AVERAGE GROWTH

Industry	1985 Incent $*	% ± vs. 84
Food Products	$1,298,954	+7.2%
Retail Grocery	$1,256,000	+2.9%
Auto Parts/Tires	$782,146	+7.6%
Gas & Oil	$236,304	+7.7%
Farm Equipment	$230,492	+5.5%
Banks/Loan Cos.	$206,510	+6.4%
Housewares	$203,144	+1.8%
Feed, Farm Supplies	$200,107	+5.2%
Appliances	$180,953	+7.7%

OVERALL INDUSTRY AVERAGE 7.8%

*Add 000
Source: Incentive [illegible]



1985 Promotion Spending %

Source: Russell Bowman and industry associations

A TEN YEAR HISTORY

Year-to-year Growth of Advertising and Sales Promotion ($ in billions)

Source: R. Bowman

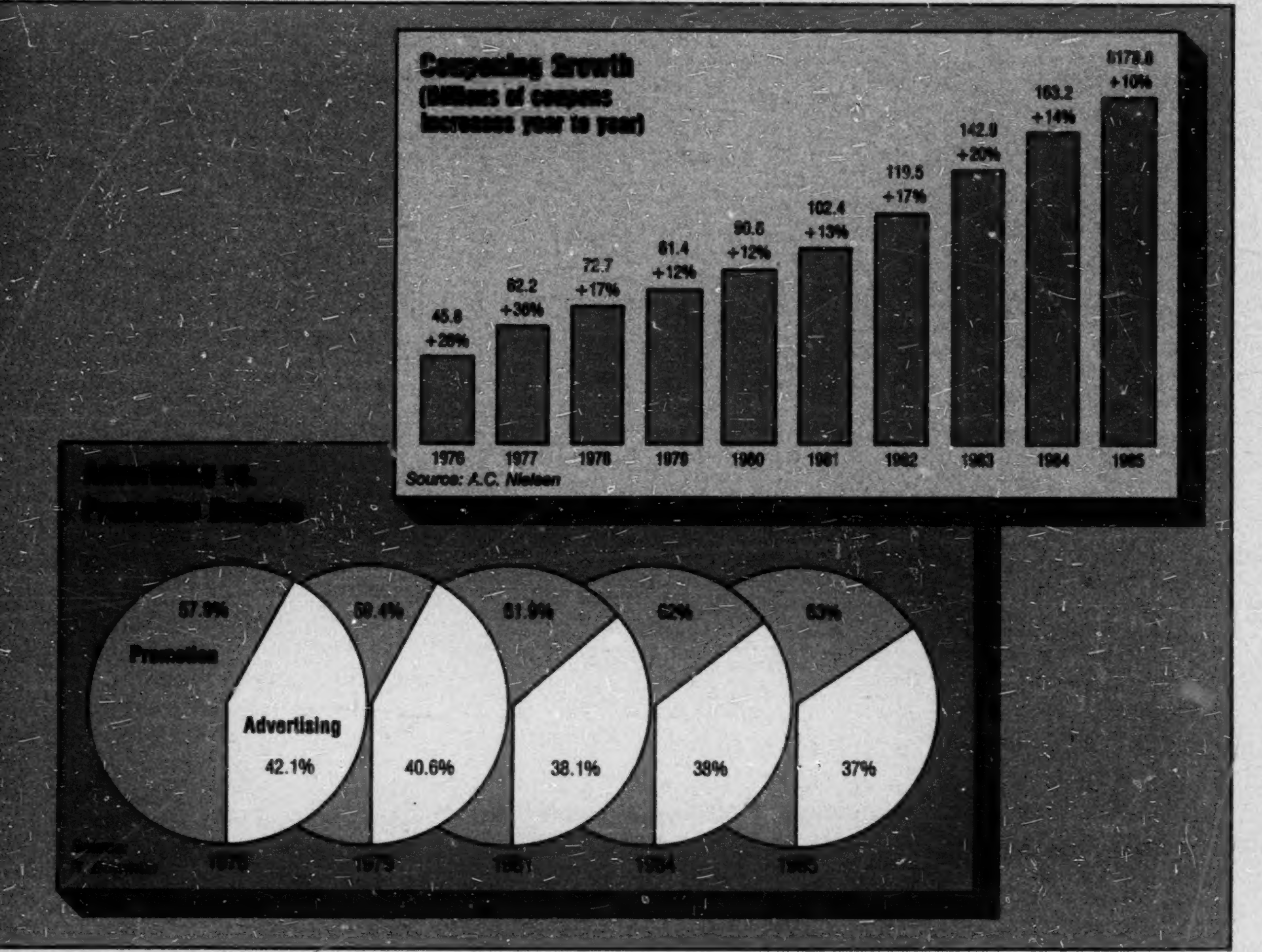
These societal changes are making changes in how marketers reach consumers. After a giant leap in spending for both advertising and promotion in 1984 due to a fast-paced business economy, the Olympics and an election year, 1985 looks like it will leave a record of more conservative growth. Promotion expenditures for 1985 are estimated at $94.4 billion, a 14% increase over 1984. Ad expenditures for 1985 are estimated at $54.8 billion, (a 9% rise) for the basic seven commissionable media. McCann-Erickson's report by Bob Coen carries an even more conservative 7.9% increase figure, but noted some rather startling changes. For example, "Network tv revenues plummeted by $241.8 million in 1985, the largest single-year drop in the history of television." There was also a sharp decline in magazine ad dollars in the second half of 1985.

Meanwhile, nearly all promotion spending is on the upswing. For instance, direct mail was up 12%, couponing up 10%, consumer premiums up 8.3%, sales incentives up 9.4%, etc. And in the restaurant business, for example, according to the National Restaurant Association, most of the growth in 1985 was due to promotions by the fast fooders.

But there are a few caution signs in the sales promotion arena. One would certainly be couponing trends. For two years now we have seen a decline in the rate of growth. Only three years ago (1983) the growth rate (20%) over the previous year was double that of last year. And worse yet, most redemption rates are down, some significantly. Direct mail, for instance, is down almost two percentage points in just two years to a mere 7%.

According to a recent study conducted by Burke Marketing, only 22% of the marketers felt coupon redemption rates were increasing. The same level (39%) felt rates were decreasing or staying the same.

Clearly the promotion business seems to be more open to options other than just more couponing. One report from Chicago's Summary Scan shows that in addition to the 180 billion coupons distributed in 1985, there were another 60 billion or so non-coupon promotional offers in print media, including sweepstakes, refunds, premi-



ums, etc. Kermit Myers, president of Summary Scan, believes this is a trend best illustrated by his intensive study of advertising in FSI's (free-standing inserts in Sunday newspapers). To prove his point, he analyzed a recent typical month's worth of promotional ads in all print media. Out of the 2,379 promotional ads, 26% were incentives other than coupons.

Type of Ad	# of Programs	% of Total
Straight Coupons	929	39%
Coupons + Overlay	592	25%
New Prod./With Coupon	246	10%
Non-Coupon Prom. Ads.	612	26%
Total................	2,379	100%

According to the editors of *Incentive Marketing*, "The robust recovery most marketers shared in 1984, which led to a major resurgence of incentive activity, did not last far into 1985." The premium incentive business was up 13.3% in 1984, and only 7.9% in 1985. (See chart pg. 172.)

For three years in a row, sales incentives have been the leading growth category in the premium/incentive field. (The differences though, in annual growth rate from 1984 to 1985 were minor.) It is generally believed by companies involved in this area of promotion that motivating sales was the fastest and surest route to assuring sales goals.

It is interesting to note the industries that are above and below the 7.9% average industry growth. (See chart pg. 170.)

Leading the growth rate by a wide margin is building materials, a competitive but growing category due to the strength of new housing starts and the generally lower mortgage rates in recent years. A closely related industry, heating & air conditioning, showed the second-highest rate of growth (9.9%).

Point-of-purchase experienced continued growth in 1985 but, according to the Point of Purchase Advertising Institute, it now sees shifts due to "dramatic changes in consumer spending, retail stores, products and services."

1984-1985 Advertising & Sales Promotion Expenditures

	1984			1985		
Advertising	$(000)	% of Total	+ % vs. 83	$(000)	% of Total	+ % vs. 84
Television	$18,483	36%	+19%	$19,524	35%	+6%
Radio	5,697	11%	+10%	6,632	12%	+12%
Business Pub.	2,270	5%	+14%	2,375	4%	+5%
Con. Magazines	4,439	9%	+16%	4,640	8%	+4%
Newspapers	18,545	37%	+15%	20,776	38%	+12%
Farm Pub.	181	*	+11%	186	1%	+3%
Outdoor	872	2%	+10%	945	2%	+8%
TOTAL	$50,487	100%	+16%	$54,808	100%	+9%

	1984			1985		
Sales Promotion	$(000)	% of Total	+ % vs. 83	$(000)	% of Total	+ % vs. 84
Direct Mail	$13,800	17%	+17%	$15,500	16%	+12%
POP/Display	10,077	12%	+14%	11,085	12%	+10%
Premiums & Incentives	11,831	14%	+13%	12,770	14%	+8%
Meetings & Conventions	25,552	30%	+17%	29,870	31%	+17%
Trade Shows & Exhibits	5,002	6%	+15%	5,802	6%	+16%
Prom. Advert.	7,199	9%	+20%	7,604	8%	+6%
Print/AV/Misc.	6,819	8%	+15%	7,910	8%	+16%
Coupon Redemp.	3,432	4%	+26%	3,953	4%	+15%
TOTAL	$83,712	100%	+17%	$94,494	100%	+14%
GRAND TOTAL	**$134,199**	**–**	**+17%**	**$149,302**	**–**	**+11%**

Source: R. Bowman

THE INCENTIVE FIELD AT A GLANCE

	1984 EXPENDITURES	% CHANGE	1985 EXPENDITURES	% CHANGE
	(ALL FIGURES IN THOUSANDS—"000" OMITTED)			
SALES INCENTIVES	$2,984,320	19.9	$3,264,679	9.4
Merchandise	2,260,834	19.5	2,468,214	9.2
Travel	723,486	21.3	796,465	10.1
DEALER INCENTIVES	$2,045,792	12.2	$2,228,063	8.9
Merchandise	1,345,576	11.4	1,456,672	8.3
Travel	700,216	13.3	771,391	10.2
MERCHANDISE TOTAL	$3,606,410	16.3	$3,924,886	8.8
TRAVEL TOTAL	$1,423,702	17.5	$1,567,856	10.1
TRADE TOTAL	$5,030,112	16.6	$5,492,742	9.2
BUSINESS GIFTS	$1,122,164	8.5	$1,178,502	5.1
CONSUMER PREMIUMS				
Product Promotion:	$3,352,402	11.4	$3,629,492	8.3
• Mail-in Offers	1,700,310	11.5	1,827,436	7.5
• Direct Premiums	1,652,092	11.2	1,802,056	9.1
Retail Promotion:	$2,326,000	11.8	$2,468,500	6.1
• Trading Stamps	554,000	4.5	522,000	−5.8
• Other Retail Premiums	1,772,000	14.0	1,946,500	9.8
CONSUMER TOTAL	$5,678,402	11.5	$6,097,992	7.4
TOTAL USAGE	$11,830,678	13.3	$12,769,236	7.9

Source: Incentive Marketing

From 1974 to 1984 the number of shopping centers increased by 70% and square footage increased by 80%. However, population expanded by only 12%, resulting in more stores and more retail space per capita. "With more stores and less customers, retailers must be careful not to fall into the trap of the 'all things to all people marketing approach.' " As a result POP/display will play a more important role in establishing retailers' identity. POPAI estimates that electronic retailing will "skyrocket to $17 billion in the next five years." If so, POP will grow with it, but these predictions should be viewed with considerable caution.

Once again the meetings and conventions business dominates the overall promotion arena with nearly $30 billion in 1985 expenditures. According to Mel Hosansky, editor-in-chief of *Meetings & Conventions* magazine, expenditures are growing at a faster rate than persons attending or frequency of meetings, indicating the importance management places on motivating salespeople, dealers, wholesalers, etc. From another viewpoint, most of the audio-visual industry is experiencing strong growth trends. Sam Sugarman, president of Meeting Makers, a New York meeting planner and audio visual producer, said his firm posted a 40% increase in 1985.

The sales promotion business appears to be "on a roll," but rather obviously searching for change and innovation. There seems to be plenty of new ideas around, but not many are making it big (See June "Sales Promotion" column, *M&MD*, pg. 140.) In the consumer category, couponing has been the dominant technique for years and most of the other devices haven't changed their share significantly. The annual Dancer Fitzgerald Sample promotion review shows couponing represented 70% of the 10,975 promotions in media and in-store. That's not much of a change from the 69% reported in both 1983 and 1984. Both premiums and refunds have been in the 7% to 8% range for the past three years, according to the DFS review.

NOTE

ONLY THE FOLLOWING PAGES OF THIS

PUBLICATION HAVE BEEN FILMED

Cov. 1, p. 2-3, 20, 34-35,

37-38, 40-42, 45-47, 50,

52-53, 56, 58, 60, 62, 65-66,

68-70, 73-75, 78-79, 83,

86-90, 93, 96, 98-99,

101-102, 104-106, 108-112,

114, 117-118, 120-121,

123-124, 126-127, 137-142,

146-147, 154, 157.

MARKETING & MEDIA DECISIONS

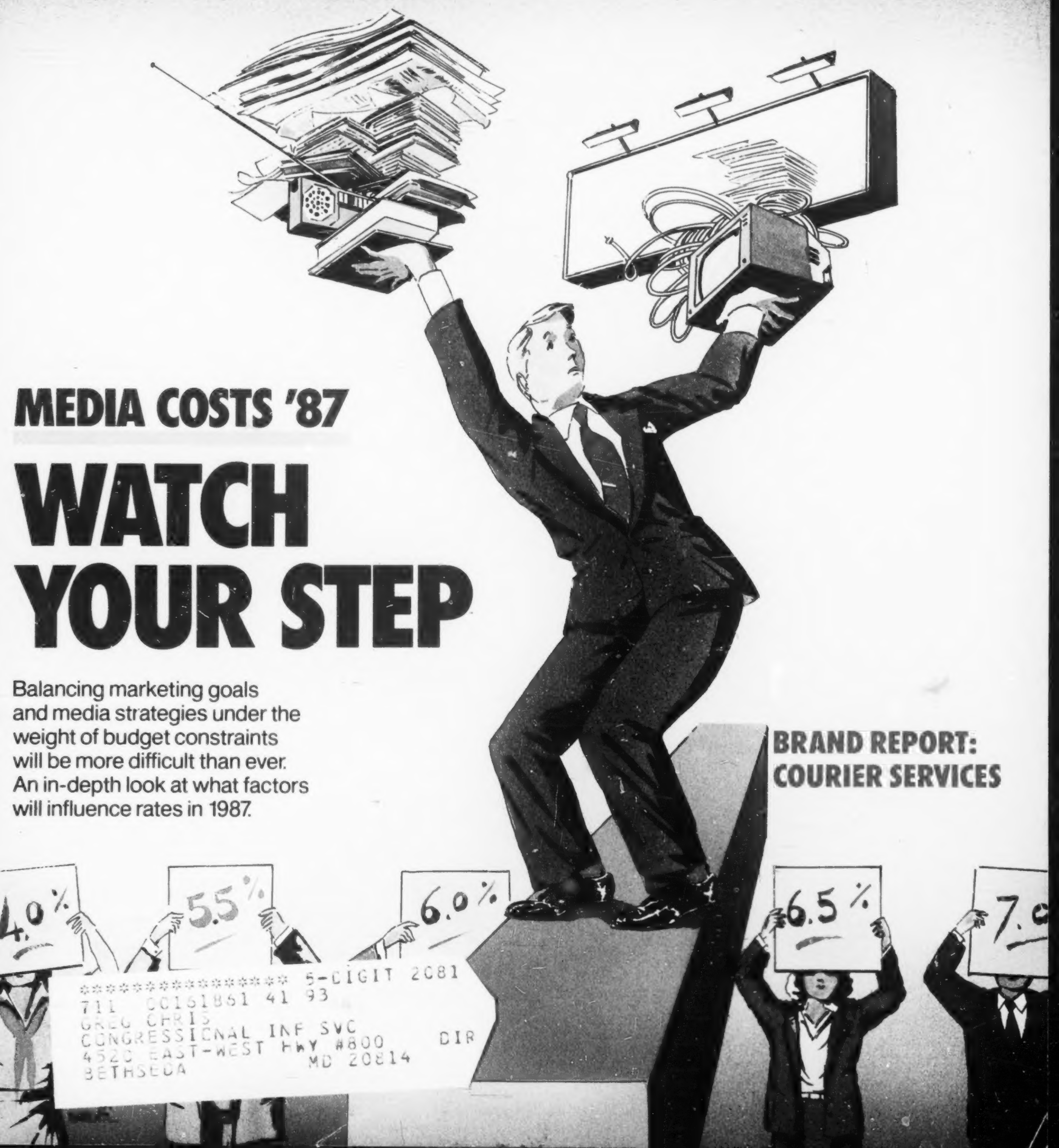
August 1986 • $3.00

MEDIA COSTS '87

WATCH YOUR STEP

Balancing marketing goals and media strategies under the weight of budget constraints will be more difficult than ever. An in-depth look at what factors will influence rates in 1987.

BRAND REPORT: COURIER SERVICES



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MARKETING & MEDIA DECISIONS

COVER REPORT

MEDIA COST FORECAST, 1987 34

The introduction sets the tone: 1987 promises to be a problematic year for marketers and media people alike. The guiding principle is, proceed with caution.

FEATURES

ECONOMIC OUTLOOK 37

Five economists and five analysts make their calls on what to expect in the coming year for the economy in general and the media in particular.

THE DECADE IN PERSPECTIVE 45

Ted Bates Advertising provides a comprehensive overview of CPM changes from 1976 to 1985.

TELEVISION 52

The years of double-digit increases are over as the new realities in broadcast send a chill through air.

CABLE 65

Revenue growth will continue, but from sources other than rate increases.

RADIO 73

Network radio is one of the bright stations on the media dial, but there's static on spot.

CONSUMER MAGAZINES 83

With costs under control, agency executives are expecting modest increases for 1987.

BUSINESS MAGAZINES 93

The smart publisher will offer more than just a display page if he's planning any substantial rate increases.

NEWSPAPERS 101

Efforts to bring this medium up-to-date cost money, and increases reflect this.

OUTDOOR 110

The medium hopes to sit tight on rates while searching for alternatives to its liquor and tobacco business.

YELLOW PAGES 117

It's a whole new medium, and a healthy one, as deregulation leads to more competitive rates.

DIRECT MARKETING 123

Costs are stable as more and more marketers explore this option.

BRAND REPORT 135: COURIER SERVICES 137

Federal Express took flight and revolutionized its service industry. Now the skies are getting crowded, but growth prospects are still strong if the players continue to meet their customers' communication needs.

DEPARTMENTS

DEBUT 4

Two women's books hope to muscle into the crowded field, and American Cyanamid is the sole sponsor of a lifestyle magazine for farmers.

FREEZE FRAME 6

Several new first-run efforts will debut on cable this fall. You can also expect cable to cash in on the home shopping programing option.

PRO FILES 10

William Dean Singleton goes home to Texas and buys the *Times-Herald*. Stroh's Richard Rogers captained Old Milwaukee's new-agency team, and William Livek takes over at Birch.

PRINT BEAT 17

Tailored advertising opportunities for target accounts are in the works from the *New York Times*, the *Chicago Tribune* and the *Los Angeles Times*.

LETTERS 20

An academic colleague takes issue with Professor Leonard Lodish's "Last Word."

DIRECT MARKETING 22

A preview of what's to come in the list rental business, and a tally of the cost effectiveness of toll-free numbers.

CREATIVE CONCEPTS 24

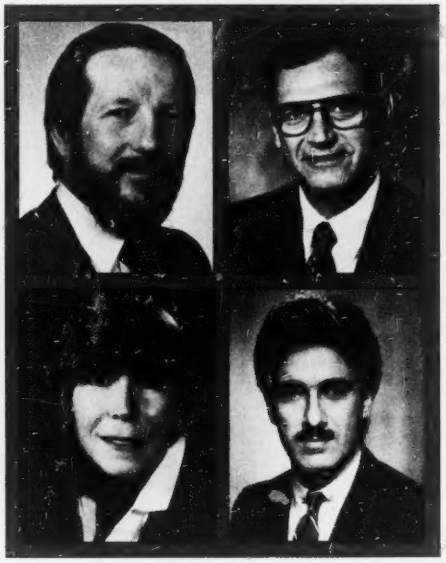
In-cinema advertising requires special care to avoid turning off the people you're hoping to reach. "Non-commercials" seem the way to go.

UPDATE 26

The Yugo may be sputtering, but the potential for budget cars remains strong. Also, what's up with 7Up and with users of the yellow pages.

August 1986, Vol. 21, No. 9

Cover illustration by Andrea Baruffi



M&MD FUTURES 32

Sunbeam's Paul Saxton mixes it up with our media guests.

BROADCAST BEAT 143

Merrill Lynch is the latest advertiser to produce its own television special.

POINT/COUNTERPOINT/POLL 148

The people meter is here, and there are strong feelings on either side of the issue. Ted Bates' Walter Reichel and NBC's William Rubens take measure of the device, and our readers consider it along with their budgeting plans.

ON THE DOCKET 150

Pending legislation would once again give the FTC power to police whole categories of advertisements instead of taking them on a case-by-case basis.

SALES PROMOTION 152

As traditional media costs increase, sales promotion becomes even more cost effective.

TOOLS OF THE TRADE 154

New McGraw-Hill research uncovers the different percents of sales that small, medium and large companies reinvest in marketing efforts.

THE LAST WORD 160

The University of Chicago's Kenneth Wisniewski outlines the need for more research on sales promotions.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 129

With people meters, the best approach is a cautious approach.

NEWSPAPERS *Don Cole* 129

While media departments are used to relentless pitches from most media, newspapers remain mysteriously mute. Where are the reps?

YELLOW PAGES *Eldon Marwede* 130

The hubbub in the field is producing many significant benefits for both marketers and some of specialized markets they hope to reach.

MAGAZINES *Michael Walsh* 132

You may be cutting more than rates when you negotiate a magazine space buy.

RADIO *Sam Michaelson* 133

Music may soothe the savage beast, but it also can make or break a radio ad message.

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LETTERS

THE LAST LAST WORD

In "The Last Word" in your June 1986 issue, Dr. Leonard Lodish worries that there has been little improvement in advertising in the past 50 years. Further, he blames the lack of proper research with "instrumented markets" for not giving advertisers the data they need to improve their advertising productivity.

Dr. Lodish's misperception, viewing the world as static, is much too common in academia. Business is a competing and hence dynamic arena not willing to freeze at the incantation "ceterus paribus."

Lodish longs to establish a relationship between specific advertising and campaigns and company objectives. Lodish's theme, that advertising productivity should have, but has not, improved over the years, is flawed for a number of reasons:

1. Saying that advertising productivity has not improved in 50 years is analogous to saying that the 1929 Yankees would win this year's World Series. Television, about 36 years old, alone drastically reduced CPM. *The Saturday Evening Post*, in height, reached less than 4 million in a population of 180 million. Television advertising established mass markets that benefited all . . . by giving production the economics of scale and "learning curve" that Lodish feels they found on their own.

2. People have changed, and will continue to change. If a hypothetical, perfect advertisement were produced — that is, all that saw the ad immediately went out and bought the product — what happens after the consumer buys the product? Very few products today really live up to all implied claims. However, simple learning theory tells us that if our product does not come close to our promised benefits, the consumer will soon learn to ignore our message. The product anchors our hot air balloon; we can only rise a finite distance above it. An advertisement may be "too effective" in that it elicits unrealistic expectations in the consumer. Trial is high, but repeat purchase a disaster.

3. The world is changing faster all the time. A firm that goes to the trouble of carefully testing their campaign in "instrumental markets" may find that the competition has been forewarned, developed a campaign to counter and launched it before the "instrumented market" data could be analyzed. Using focus group research rather than "instrumented markets" can not only be drastically faster and cheaper, but keeps the firm closer to understanding the consumer. "Instrumented markets" are more for precise testing than understanding. Time between test and operationalization severely warps results of exact tests. An understanding of consumers allows for rapid interpretation of the effects of recent occurrences without all new testing.

4. Image advertising has a large flywheel. Westinghouse recently surveyed consumers on what phrase they associated with the firm. Westinghouse hadn't used the tag line, "You can be sure if it's Westinghouse" in the seven years since they left the consumer business. They found little decrease in awareness in the seven years of nonuse. The flywheel was still spinning. The real results of your present campaign may be coming in over the next decade. How does one today measure the impact a current campaign will have a decade hence?

5. Direct marketers don't waste 50% of their dollars. They waste 90%-99%, and they know which is waste (by name, address, demographics and psychographics). John Wanamaker wasn't complaining about waste, but simply stating that advertising is a process of refining probabilities. There are no sure bets.

Bruce Buskirk
Asst. Professor, Direct Marketing,
Northwestern University

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CORRECTION

In the introduction to June's "Newspaper Brand Leaders" special report, Parliament brand cigarettes' $4.7 million in newspaper ad expenditures was mistakenly attributed to American Tobacco. When they are factored out, American's expenditures in newspapers in 1985 show a 4% increase over the previous year and total $2.6 million.

Parliament is a Philip Morris brand. Its addition to the PM total brings that marketer closer to number-one newspaper spender R.J. Reynolds. PM investments in the media for its cigarette brands totaled $66.1 million, compared to RJR's $68.3 million.

WATCH YOUR STEP!

1986 will probably go down as the Year of the Great Media Upheaval. Everything from planning, pricing and buying to ownership seemed to be in an incredible, unnerving state of flux.

Who should be planning and buying media — a full-service ad agency, media buying outfit, or an in-house operation — escalated from a discussion into a full-scale debate. Which of these three would get the best pricing and/or packages from media sellers who were under the gun like never before to negotiate all manner of space or time? That question became a key issue and a game of one-upsmanship among advertisers, who changed media budgets, agencies and media vehicles with dizzying speed.

As always economics, and the resulting shifts in power, acted as the catalyst for the media upheaval. With the key economic indicators pointing in all directions (but mostly downward), corporate profits dimming, and even more uncertainty on the horizon with the promise of a radical new tax bill and a still gaping federal budget deficit, marketers began trimming back their ad expenditures and demanding full value for their media dollars.

Their resentment at what they considered to be excessive rate hikes in the past finally spilled over into concerted action. With one major advertiser publicly leading the way — General Motors — the others coalesced and sent a blunt message to media sellers and agencies alike: Get me the best deal or I take my business elsewhere.

The media, hit hard by the general cutback in advertiser budgets, the plethora of ad options, and especially punched by the declining fortunes of such key industries as liquor, tobacco and computers, began to bend to client requests. Agencies, meanwhile, found clients clamoring for better, more creative media buys, reduced agency commissions and increased accountability. And when agencies began their own round of merger activity in earnest (following client and seller couplings), advertisers promptly made their displeasure known over possible account conflicts by yanking business.

It is against this backdrop of change that we present our annual Media Cost Issue. Usually we ready the issue for a mid-September release, but in this hectic year we felt to truly achieve our goal — which is to make this special feature a real planning tool — we should advance our schedule to August and better match the time our readers sit down to hack out their budgets.

4.0%
5.5%
6.0%
6.5%
7.0%

The cost trend is clearly apparent in our articles handicapping the outlook for major media. A slowing economy and more supply than demand has stabilized, and in some instances reduced cost increases. This year's Big Number — the average media unit cost increase as projected by our poll of agency media directors — is 5.5%, compared to a reported actual media unit increase of 6% in 1986.

The 6% actual cost increase underscores just what kind of year 1986 has been. Our survey, which has an excellent record for accuracy (see charts), anticipated a 7.5% overall unit increase last year. But in fact, eight of the 10 media covered posted lower-than-anticipated rate rises.

Network television, undoubtedly the most aggressive raiser of rates, got its comeuppance this year, in the view of many people. Business faded away as advertiser's bottom lines came under pressure, uncertainty crept in over exactly who was watching what and when, syndication flowered and network inventory swelled with the cheaper 15-second commercials. The outlook for 1987: more of the same.

Each of the other media have strong pressures of their own weighing down any price-hike plans. For example, magazines will have a tough time justifying rate hikes when paper, printing and postage costs all moderated this year, while many circulation statements showed little to crow over.

Certainly it would appear as if there will be plenty of good buys around in 1987. The question is, who is going to grab them? Marketers are making noises about streamlining ad budgets further.

That is not necessarily a bad thing. Designing an effective and cost-efficient media plan should always be the goal. But from the way many companies/agencies are talking, media buying may have little to do with good planning. The "save" motive may be so strong as to undermine the marketing objective. Does anyone remember the lesson of the last economic downturn? The companies slowest off the recovery starting blocks were those that had slashed their marketing budgets.

Be careful out there. The media balance beam is tricky.

Media Cost Rises

	1987 vs. 1986	1986 vs. 1985		1985 vs.1984		1984 vs. 1983		1983 vs. 1982	
	Anticipated	Actual	Anticipated	Actual	Anticipated	Actual	Anticipated	Actual	Anticipated
Average increases – unit cost									
Nighttime network tv	4.0%	5.9%	7.0%	7.9%	9.2%	10.6%	9.6%	10.3%	10.7%
Daytime network tv	−3.8	3.9	6.9	10.5	12.7	11.4	8.1	8.4	8.5
Spot tv	5.5	5.8	7.7	7.6	7.8	9.8	10.9	8.1	8.5
Network radio	5.1	9.1	7.2	7.9	7.3	8.0	9.0	7.8	8.7
Spot radio	4.4	5.6	6.8	6.7	7.4	8.7	8.7	7.5	8.4
Consumer magazines	6.7	7.0	7.7	8.0	8.2	9.1	9.0	9.2	9.0
Nat'l Sunday magazines	5.1	2.9	6.7	8.3	8.3	9.1	7.9	8.1	8.9
Daily newspapers	7.2	7.4	7.9	8.0	8.5	9.0	9.3	9.9	9.6
Outdoor posters	5.3	5.7	7.2	6.5	7.3	8.0	9.8	8.7	8.5
Business publications	6.3	7.6	7.2	6.7	7.6	7.5	7.3	8.0	8.5

Source: Marketing & Media Decisions

Actual Media Cost Movements 1986 vs. 1985 (Average changes)

Medium	**Unit Cost**	**Audience**	**CPM**
Nighttime network tv	5.9%	−0.2%	6.1%
Daytime network tv	3.9	−1.3	5.3
Spot tv	5.8	0.0	5.8
Network radio	9.1	0.7	8.4
Spot radio	5.6	0.7	5.0
Consumer magazines	7.0	0.6	6.5
Nat'l Sunday magazines	2.9	2.6	0.3
Daily newspapers	7.4	0.8	7.4
Outdoor posters	5.7	−0.7	6.5
Business publications	7.6	1.8	5.8
Response ranges			
Nighttime network tv	3/8%	−2/2%	3/9%
Daytime network tv	−5/12	−5/2	−3/12
Spot tv	2/12	−4/12	2/9
Network radio	0/20	−2/3	0/20
Spot radio	−3/9	0/2	−3.5/8
Consumer magazines	0/12	−5/2	5/12
Nat'l Sun magazines	−7/11	0/8	−15/10
Daily newspapers	2/11	−1/8	5/10
Outdoor posters	0/9	−20/2	0/30
Business publications	4/13	−1/18	−4/12

Source: Marketing & Media Decisions

Anticipated Media Cost Movements 1987 vs. 1986 (Average changes)

Medium	**Unit Cost**	**Audience**	**CPM**
Nighttime network tv	4.0%	0.3%	3.7%
Daytime network tv	−3.8	−0.5	−3.3
Spot tv	5.5	0.2	5.3
Network radio	5.1	0.2	5.0
Spot radio	4.4	0.4	4.0
Consumer magazines	6.7	0.5	6.3
Nat'l Sunday magazines	5.1	1.2	4.3
Daily newspapers	7.2	0.6	7.1
Outdoor posters	5.3	0.4	4.9
Business publications	6.3	0.7	5.6
Response ranges			
Nighttime network tv	−1/8%	−2/3%	−1/8%
Daytime network tv	−20/7.5	−5/2	−20/10
Spot tv	0/8	−3/3	0/8
Network radio	−5/20	−3/2	−5/20
Spot radio	0/8	−0.5/2	0/8
Consumer magazines	4/11	−5/3	3/13
Nat'l Sun magazines	0/10	0/6	0/9
Daily newspapers	3/10	−2/1	3/12
Outdoor posters	0/9	−5/2	0/12
Business publications	3/8	−1/3	2/8

Source: Marketing & Media Decisions

ENTERING SOME GREY CLOUDS

Fasten your seatbelts. It's going to be a bumpy flight.

by Carol Hall

Most economists are none too upbeat in their forecasts for the latter half of 1986 and first two quarters of 1987. The weakening dollar and still-wobbly foreign trade situation, the likelihood that gas prices won't go much lower and the signs that domestic car sales are slowing again are among the reasons optimism is in short supply.

In addition, tax reform has generated a great deal of uncertainty in the economic community, fogging the forecaster's crystal ball and making it tough for the seer to see anything sharply. No one is sure just how the reform will look after making the transition from bill to law. And since the tax code hasn't undergone such a foundation-rocking in decades, experience can't give a clue as to how businesses and consumers will respond to the changes.

Media prices, despite some pockets of bullish activity due to targeted marketing, won't be exactly shooting skyward in the near future, all agree. The soft television marketplace is not only affecting its own rate plans, but is casting a long shadow over the other media. Cable, for example, has no real choice but to take tiny steps to keep in step with broadcast.

D. Otte

The following opinions, from economists as well as media watchers, offer a range of predictions for how the economy will look in the next year and what form media costs will assume in that environment.

Projections at a Glance

	GNP	Unemployment	CPI	Interest Rates (T bills, 3 months)
Dorothea Otte				
Second half '86	3.4%	6.9%	3.5%	6.7%
First half '87	2%	6.7%	4.0%	6.65%
Sandra Shaber				
Second half '86	4.0%	6.3%	3.8%	6.3%
First half '87	2.4%	6.2%	3.9%	6.85%
Cary Lahey				
Second half '86	4.0%	6.7%	.6%	6.5%
First half '87	4.1%	6.4%	4.1%	6.5%
Robert Brusca				
Second half '86	4.2%	6.8%	4.0%	7.0%
First half '87	3.75%	6.5%	4.5%	7.5%
Steven Malin				
Second half '86	3.7%	6.9%	3.7%	6.2%
First half '87	1.4%	7.0%	4.2%	6.2%

Source: Marketing & Media Decisions

THE ECONOMISTS' PROJECTIONS

Dorothea Otte

Assistant director of economic forecasting at Georgia State University:

"We don't see a real bright picture for the economy," moans Otte, ticking off her reasons for a cloudy forecast. Inflation is creeping up. Construction, which showed a moderate rise this year, is expected to slow down. And the falling dollar is leading to higher prices overseas and hurting exports.

We have, she says, "a trade problem we can't seem to work out," and it's one that doesn't seem likely to turn around in the near future. Aside from the fact that the effects of the shrinking dollar are taking a long time to make themselves felt, she says the economies of two strong importers of American goods, Japan and West Germany, are weak. "They are artificially being held down by the central governments," she claims, mainly in hopes of keeping inflation at bay.

She concedes that the oil glut is a ray of sun poking through the clouds of her forecast, helping much of corporate America cut costs. It doesn't mean, she says, there will be a rush to plow those saved dollars back into the corporations — or into advertising. "With energy prices being such a large part of costs, many companies will try to widen their profit margins to make up for the lean days."

Sandra Shaber

Vice president of consumer economics at Chase Econometrics Inc.:

"Despite a fairly widespread optimism about the benefits of some recent developments," says Shaber, "the economy remains very, very weak." And, for the coming quarters, she says, though "we are still predicting a modest improvement in the second half of '86 and into '87, in the past few weeks, we have been telling our clients that the risks of much slower growth than anticipated are rising. In other words, things are not looking very bright."

She says that the notes of optimism sounded by the economic community a few months ago have, to her ear, turned sour. The positive effects of a falling dollar abroad, for instance, have taken longer than expected to be felt in the U.S. And, she adds, people overstated the positive impact of falling interest rates. She says lower rates have produced a mini-boom in housing, "but I can't think what else they've done, except drive the stock and bond markets up."

Though consumer spending was up in the first half of this year — with retailers showing increased sales, auto sales going up, and lower gas prices boosting consumer confidence — Shaber says those "boom" days are numbered. "The effect of lower energy prices is already over," sighs Shaber. "The car market is saturated; consumer confidence is beginning to waiver more. And underneath it all, the real fundamentals, wage and salary growth, are very weak — and that's what drives consumer spending."

C. Lahey

S. Shaber

Cary Lahey

Vice president/senior analyst at Shearson Lehman Brothers Inc.:

"We're seeing a continued sluggish economic outlook for this year," predicts Lahey. "While we are looking for stronger growth in the second half of 1986 — 4% in the third and fourth quarters — it's not going to be sufficient to give overall GNP growth any zip." That will leave the year, he says, with a 2.6% GNP growth rate, just over 1985's rate of 2.2%.

He predicts a 1987 GNP growth rate, however, of 4.1%. Among the causes, low interest rates are an important factor. He says that will prompt consumers "to get their financial houses in order. What they're doing is converting high-cost, variable rate debt into lower cost, fixed rate debt." And, while he predicts consumers will also cut down on borrowing, he thinks that spending will heat up later this year and into next.

Despite widespread optimism about recent developments, says Shaber, the economy remains "very, very weak."

Citing another hopeful note, he says, "The dollar has declined about 35% against the major currencies and we think that's certainly going to help the manufacturing sector" which should lead, he expects, to an improvement in exports in the second half of the year.

Lahey says that if the tax reform bill becomes law as it exists now, "consumer spending will be helped and business fixed investment and corporate profits will be hurt." It will "favor assets that generate income, not assets that shelter income so good old stocks and bonds, particularly those that generate income that can be taxed, are going to be better off. I'm saying that what you're going to get is probably a little more efficient economy, a little more consumer spending, a little less investment — but hopefully it will be more productive investment because you have a more level playing field."

Robert Brusca

Chief economist at Nikko Securities Company International, Inc.:

"I'm one of those people who think the second half of this year is going to be pretty strong. We have lower oil prices, lower interest rates, a substantially lower dollar. Now we haven't seen much impact from these things yet, but I believe they have to take effect," reasons Brusca. He's quick to qualify that, though, adding that the economy will still have "a lot of patchy spots" due, in part, to the Federal Reserve's confusion over just what it is going to do with the current discount rate.

For the first half of '87: "I'd call it an expansion, but a little bit softer. We will be in a more advanced stage of trying to arrest a budget deficit, so fiscal policy will become contractive. And we're at a fairly mature stage of the business expansion and you look for the economy to exhibit some signs of sluggishness. At the end of this year we will be four full years into the expansion, and generally that's much longer than the average expansion has been." Hardly the recession alarmist, he adds, "You just begin to look for the economy to grow at a rate that's more like its long-term rate, which means you just can't whip the old horse as much any more."

As for the effect of the tax bill, he believes that it's a wild card. "For the time being, it hurts the prospects for growth — when there's uncertainty, people tend to want to hold back and not do anything. I think it's making things weaker than they otherwise would be."

Steven Malin

Economist at the Conference Board Inc.:

Even though Malin predicts a strong second half for '86 — with growth in the 3.5% range — he asks, "Why isn't it going to be even stronger? We're amazed that the economy is as weak as it is." According to Malin, it should be stronger given what he sees are still-strong car sales and housing starts, no sign that interest rates are headed up, increasing exports and a healthy stock market.

But all that aside, dark clouds roll into view with Malin's forecast for next year. "We're not optimistic at all," he warns, predicting growth for the first three quarters to register 2.8%, fall off the map with 0%, then rise again to 1%. Among his reasons, he says, is a trade situation that should improve — but not a lot. In addition, he thinks interest rates will begin to rise.

How will the tax reform bill affect the economic picture? "We don't have a shadow of a hope of knowing what the impact is going to be. It's the first time [in decades] that we've had any true tax reform and we simply don't know how every sector of the economy is going to react to this. It's a real crap shoot."

W. Donald

E. Atorino

K. Gruneich

THE ANALYSTS' PROJECTIONS

Edward Atorino

Managing director/media analyst at Smith Barney, Harris Upham & Co.:

"If I had to pick one thing, I think media costs are going to reflect inflation rates," says Atorino. "If inflation stays at zero to 3%, it's going to be hard for media to come along with 10% increases."

In general, he adds, "We think the economy is going to get better — even though now that sounds like an optimistic projection. If the economy behaves properly and some of the fallout from these mergers and consolidations stabilizes, advertisers may become a little more aggressive on brand introductions, pricing and other market share battles, though at the moment they're all just sitting on their hands."

He says the television industry will show very little increase in rates: 3.8% for 1986 and 6.5% for next year. For the station business — national, spot and local — he projects an 8% increase for 1986 as well as for '87.

Cable revenues should jump by as much as 15%, he says, by the end of this year. "Cable's not only reasonably [priced], there's a lot of unsold time. And they're starting to develop some credible numbers. It's been a chicken and egg problem," he comments. Industry consensus holds rate increases to 2%-3%.

Radio could see a rise of 10% for all of 1986, according to Atorino. "Radio, particulary network radio, is just booming." It's a result, he says, of better audience reach due to programming that increasingly segments audiences, and the increased cost-consciousness of advertisers. Next year should be as healthy as this, he says: "I think you're going to see a surprisingly strong medium."

Newspaper rates will rise 6% by the end of 1986, he states, with commensurate increases for next year. He puts magazines in the same league, with a 6% increase in '86. And though he thinks 1987 will show greater cost hikes — in the 9% range — the declining advertising expenditures by the alcohol and cigarette categories will continue to hold back any substantial increases.

Kevin Gruneich

Vice president, publishing/information analyst at First Boston Corp.:

"Certainly media pricing is going to do much better than American industry as a whole when it comes to rate increases," in 1987, predicts Gruneich. "In the first six months of '87 the indications I see are that there is going to be some lightening up in media rates in terms of the growth we saw in 1986. But," he adds, "it's still going to be strong and I'm not seeing rates that are low single digits. You're very safe in saying that the newspaper business will, for the full year, be able to pass along price increases of 6% to 8%."

The tax reform bill, should it become law in its present incarnation, should "be a big, big plus for the newspaper industry," Gruneich thinks. It will give it a boost, he explains, "because not only is the newspaper industry a high corporate tax payer, they don't use that much in the way of investment tax credits — so they're going to have a windfall from it." And, he adds, "their major advertisers, the retailers, are also full tax payers for the most part and you're going to have retailers with a lot more in discretionary funds."

Magazines, particularly consumer books, will probably charge 5% to 6% more for ad space and trade magazines closer to 6%-7%, he states. "Business books are going to have continued problems," he forecasts. "Their [fewer] ad pages reflect something more than a soft computer industry and maybe more than a soft economy. People are saying this is just a cyclical thing and that the business books will come out of it.

"But I think there is also something secular going on here," he continues. "You have a lot more places for businesses to advertise than you did a few years ago." He mentions the *Wall Street Journal* Report on radio, *Financial News Network* on cable, local business journals and the improved business sections of daily newspapers across the country.

William Donald

Media industry analyst at Standard & Poor's Corp.:

"Overall I expect costs to be lower in 1986 than they were in 1985, largely as a factor of the low inflation environment," Donald says. He adds that he doesn't see the tax reform bill, if it passes intact, boosting media costs much. "For most industries it will help the bottom line, but I don't think that's a reason for media to raise prices."

Donald expects network prices to rise in the 4% to 5% range next year, with affiliates and independents able to boost theirs 6% or more. "It's a buyer's market for network tv and pretty much a seller's market" for the others.

Newspapers should continue to show strength with a 7% increase for all of 1986 and for 1987. Magazine rates, he says, will be up in the 6% range. While Donald agrees that it's gutsy of them to boost rates in a less-than-lustrous business environment, he says "they're putting in the rate increases because a lot of that volume is going to go to magazines anyway. That's pretty much the only way they can increase their earnings when ad linage is down. There *is* some inelasticity there," he states. "Revlon, for example, is going to be advertising in *Harper's Bazaar* because they have to. General Motors will have to be in *Road & Track*, and Fisher Electronics will have to advertise in *Stereo Review*."

Some media will manage to buck the trend and get good increases because, comments Donald, they are needed.

The magazine categories he expects to do especially well next year are women's and fashion, home and service books. "It looks to me as if the consumer is more interested in buying the leisure-oriented magazines over the *Times*, *Newsweeks* and *Business Weeks*." In addition, he notes, a lot of the business and general news magazines get a lot of their circulation through corporate subscriptions rather than personal orders. If businesses continue their cost-cutting ways, publishers of those books should expect companies to circulate fewer copies through more people in the office.

Fred Anschel

Vice president and media analyst at Dean Witter Reynolds Inc.:

For the latter half of 1986, says Anschel, "network will probably be up 2% to 5%, national spot up 4% to 7%. For the first half of next year, assuming a reasonably good economy, I wouldn't look for much more. National spot will be in the 6% to 8% range, and local tv in the 7% to 10% range. For network, I continue to see 3% to 6%."

Magazines will show an overall rise of 5% for 1986, he says, up 6% in 1987. Despite ailing ad page counts for the industry, "magazines will be up modestly because they deliver a more targeted, tailored audience. They can charge more and advertisers are willing to bite and pay higher CPM's for those kinds of audiences."

Rates won't jump into the high single-digit zone, though, for a couple of

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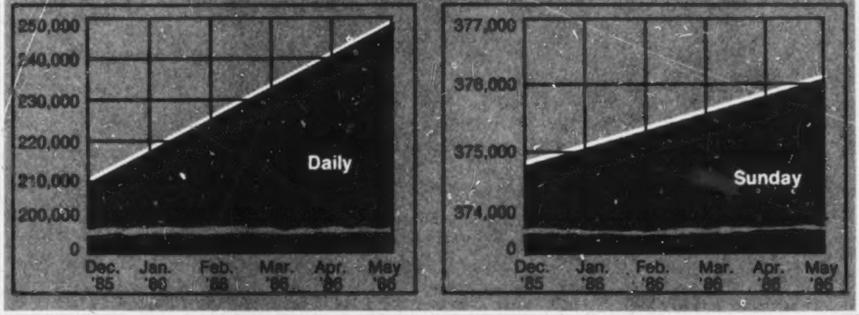

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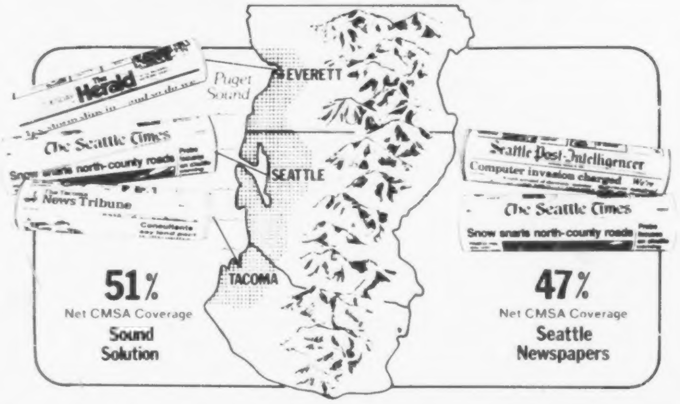

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reasons. The low rate of inflation, he says, means "there's no justification for any significant media cost increases." There's another thing that might affect advertisers' willingness to spend. "A lot more consumer products companies, especially with mergers and the threat of takeovers, are a lot more profit conscious than they used to be. [Cutting] advertising expenditures is a good way to control your profits because, in a way, it comes right off the bottom line."

Bruce Thorp

Newspaper analyst at Lynch, Jones & Ryan:

"Advertising rate increases have been pretty modest this year because the demand isn't really there," states Thorp, saying he thinks rates will increase at a rate of 6% to 8% for the rest of this year. If demand holds steady, "I don't think newspapers will try to squeeze much more out" of advertisers next year, which would put 1987's increase in the 6% to 8% range, as well. But "if it suddenly turns out to be a hot environment for advertising, I think newspapers might try to get it up to the 8% to 10% range."

There's a reason projected increases for newspapers are ahead of inflation, as well as other media, says Thorp. "Most newspapers have about the only print game in town and they've taken advantage of that. I don't think newspapers are crying about how bad things are because they're still able to get revenue increases despite the [overall] flattening."

Thorp thinks both *USA Today* and the *Wall Street Journal* should do well next year. "National advertising is still in a slump and *USA Today* has been showing volume increases. What's going to happen when national advertising snaps back?"

Though the *Wall Street Journal*'s ad linage was down 10% in the first quarter and about half that in the second, says Thorp, if the national advertising climate improves "the *Journal* could become pretty hot again. They have added some flexibility to their production so they can offer more attractive packages to their advertisers." ■

BATES RATES CPM PERFORMANCE

Over the past decade, Ted Bates Advertising finds, the media have been giving themselves some sky-high scores.

For a number of years, Ted Bates Advertising has prepared an annual media cost trend analysis of media cost efficiencies (CPM's) for nine specific media elements. The Consumer Price Index (CPI) and the Gross National Product (GNP) serve as benchmarks for this analysis. This year's study, utilizing 1975 as a base year, will focus on the events of the past decade, 1976-1985, and estimate the increases for 1986. The report examines the relationship of media CPM's to the CPI on a yearly basis, as well as for the decade. This analysis will clearly demonstrate that media costs have kept pace with or have grown considerably faster than inflation.

The past decade, 1976-1985, has been a period of sustained, although erratic, increases in media CPM's and inflation (See Exhibit IA). The decade began with broadcast media posting extraordinary real growth, about 20%, in several cases. Real growth has been calculated by subtracting inflationary increases (the CPI) from nominal increases. Over the next several years, 1978-1981, the CPI grew at such a fast rate that most of the media elements analyzed were unable to keep pace. During these middle years, although confronted with skyrocketing inflation, advertisers were generally experiencing negative real CPM rates. However, with the improvements in the economy and resumption of moderate CPI growth, all of the media elements examined experienced *real* growth since 1982. Television led the pack — at times posting real annual increases in double digits (see Exhibit IB).

Exhibit IA
Yearly Percent Increases in CPM

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986#
Broadcast											
Day	25	29	8	5	11	7	9	5	9	15	9
Evening	8	26	9	12	14	7	24	7	15	10	8
Spot	25	5	0	9	8	5	9	8	11	6	6
Net Radio	10	9	7	6	5	6	7	10	10	6	8
Spot Radio	12	9	5	5	7	7	6	7	7	5	5
Print											
Magazines	2	9	9	8	12	12	11	8	8	8	6
Supplements	3	19	2	9	9	11	12	5	6	4	−11
Newspapers	10	9	8	8	10	13	10	10	9	7	7
Outdoor											
Posters	6	9	11	12	10	9	11	6	9	6	5
CPI	5.8	6.5	7.7	11.3	13.5	10.4	6.1	3.2	4.3	3.6	3.5

#Ted Bates estimates

Exhibit IB
Yearly Percent-Real Growth*

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986#
Broadcast											
Day	19	23	0	−7	−2	−3	3	2	5	11	6
Evening	3	19	2	1	0	−4	17	4	10	7	3
Spot	19	−1	−8	−2	−6	−6	3	5	7	2	3
Net Radio	4	3	0	−5	−9	−2	1	7	6	2	3
Spot Radio	7	2	−2	−6	−6	−3	0	4	3	1	2
Print											
Magazines	−4	2	2	−3	−2	1	5	5	4	4	3
Supplements	−3	12	−6	−3	−4	1	6	1	2	0	2
Newspapers	4	2	0	−3	−4	3	4	7	5	3	4
Outdoor											
Posters	0	2	3	1	−4	−1	4	3	5	2	2

*Real Growth defined as subtracting CPI % increase from media % increase.
#Ted Bates estimates

The net effect of these yearly increases can be seen in the compounded and average annual growth rate over this period (Exhibit II). Virtually every media element exceeded inflation with the exception of spot radio which matched the CPI rate with a 6.9% increase, and supplements which, at 5.8%, had the lowest increase. Network television, daytime and evening, moved at an alarming rate — almost twice the average annual CPI rate (11.9% daytime and 12.4% evening vs. 7.0% CPI). The other broadcast media, spot tv (8.2%) and network radio (7.7%), shared comparable growth rates with the print media: magazines (8.4%), newspapers (9.2%), and outdoor posters (8.5%).

Overall, the last decade was an outstanding period for the media examined. 1985 was a strong, real growth year (see Exhibit IB), although most media reported lower CPM increases than expected. 1986 is projected to follow suit with more *real* growth for all media elements except supplements.

Exhibit III
Total Advertising Volume and Gross National Product

	Ad Volume		GNP		
Year	Millions	% Change	Billions	% Change	Ad Volume As % of GNP
1975	$27,900		$1,549.2		1.80%
1976	33,300	19	1,718.0	11	1.94
1977	37,440	12	1,918.3	12	1.95
1978	43,330	16	2,163.9	13	2.00
1979	48,780	13	2,417.8	12	2.02
1980	53,550	10	2,631.7	9	2.03
1981	60,430	13	2,957.8	12	2.04
1982	66,580	10	3,069.3	4	2.17
1983	75,850	14	3,304.8	8	2.30
1984	87,820	16	3,661.3	11	2.40
1985 (prelim)	95,070	8	3,901.0	6	2.44
1986 (est.)	102,720	8	4,168.6	7	2.46

1985

Despite falling interest rates and inflation steady at a 3.6% increase, concern over the federal deficit and proposed changes in tax laws led to a conservative economic environment. Advertisers were more cautious in allocating advertising dollars, exerting pressure on the industry to improve media cost performance. All of these factors served to moderate CPM increases. The majority of media elements (seven out of nine) experienced increases in 1985 which were lower than those recorded in 1984.

Exhibit II
Compounded Yearly CPM Increases
Base Year 1975

	Day Net TV	Eve. Net TV	Spot TV	Net Radio	Spot Radio	Mag.	Supp.	News	Out-door	CPI
1975	100	100	100	100	100	100	100	100	100	100
1976	125	108	125	110	112	102	103	110	106	106
1977	161	136	131	120	122	111	122	119	115	113
1978	174	149	131	129	129	122	124	129	127	121
1979	182	167	143	137	135	131	134	139	142	135
1980	203	190	154	143	145	147	147	153	158	153
1981	218	203	162	155	155	164	163	173	173	169
1982	238	251	176	166	164	181	183	191	191	179
1983	250	269	190	182	176	196	191	210	203	185
1984	272	308	211	200	188	212	201	229	221	193
1985	312	341	224	212	197	229	209	245	233	203
1986 (est.)	341	361	237	225	208	242	219	262	245	211
Average Annual Growth	11.9	12.4	8.2	7.7	6.9	8.4	5.8	9.2	8.5	7.0

Exhibit IV
National Advertising Volume as a Percent of Total Advertising

Year	Total Adver. Millions	National Adver. Millions	National As % of Total
1975	$ 27,900	$ 7,242	26%
1976	33,300	9,017	27
1977	37,440	10,271	27
1978	43,330	11,794	27
1979	48,780	13,357	27
1980	53,550	14,837	28
1981	60,430	16,641	28
1982	66,580	18,379	28
1983	75,850	20,657	27
1984	87,820	24,102	27
1985 (prelim)	95,070	25,025	26

These economic conditions had a significant impact on the network television market in 1985. Indeed, in 1985, network revenues were down over the previous year, a phenomenon not experienced since 1971. Despite this, the two network elements, daytime and evening, posted double-digit CPM increases.

- Daytime network tv's CPM growth rate increased from 9% in 1984 to 15% in 1985.
- Evening network tv posted a lower increase — 10% in 1985 vs. 15% the previous year.
- Spot television CPM increases declined, almost by half, to 6%.

Radio increases moderated:

- Network radio — down to a 6% increase.
- Spot radio just stayed ahead of the CPI — up 5%.

Print was a mixed story:

- Magazines remained on a steady course — rising 8%.
- Supplements, with a difficult year of mergers and switches, virtually matched inflation at 4%.
- Newspapers continued to exhibit slower growth with a 7% increase.

Outdoor's CPM increases moderated to 6%.

1986

Inflation is expected to continue its moderated trend with a 3.5% increase in 1986. Media CPM's are expected to continue to respond marginally to this fifth straight year of modest inflationary increases (see Exhibits IA, IB). Almost all media elements should experience a decline or remain fixed at the previous year's CPM increases.

Despite this response to inflation,

most media increases are still expected to be almost double that of inflation.

- Daytime network television — close to three times the inflation rate — projects 9% increases.
- Evening network television projects a more modest 6% rate.
- Spot television will repeat last year's growth rate — 6%.

Radio is expected to match last year's increases:

- Network radio — 6%.
- Spot radio — 5%.

Print, with the notable exception of supplements, adjusts marginally:

- Magazines reduce growth to 6%.
- Newspapers expect to repeat last year's rate with a 7% increase.
- Supplements should decline an impressive 11% resulting in negative real CPM rates.

Outdoor posters will again reduce their growth to a projected 5%.

TOTAL U.S. ADVERTISING VOLUME PERFORMANCE

The proportion of money spent on advertising as a percent of the gross national product continues to grow.

Advertising's share of the economy has continued to grow every year since 1976 (see Exhibit III). From 1976 through 1984 advertising volume grew at double-digit levels, consistently faster than the GNP. However, in 1985 there was a dramatic decline in growth for both, indicative of the cautious economic environment. This abatement is expected to continue in 1986 — ad volume is projected to increase 8%, GNP to remain steady at 7%.

National advertising, as a percentage of total advertising, has remained between 26%-28% and is expected to remain in that range in 1985 (see Exhibit IV). National ad expenditure increases exceeded that of the CPI for all elements examined over the course of the decade (see Exhibit V).

The advertising industry has experienced real growth in CPM's during the last decade. However, if the media continue to manifest real cost increases, while generally brand revenue growth parallels CPI increases, then advertising must assume a continually larger portion of a product's sales/profits in order to maintain the same level of advertising effort. Additionally, the quality of this advertising effort, particularly in the television medium, is possibly deteriorating due to the VCR zipping, channel switching/zapping and increased clutter due to the rapid proliferation of :15's.

These dual pressures confronting advertisers make it imperative that these trends be carefully considered in assessing media values and options.

Leslie Wood/Debbi Ellis
Media Information and Analysis,
Ted Bates Advertising

Exhibit V
National Advertising Expenditures
(1975 = 100)

Year	Net TV	Spot TV	Mag	News/ Supp	Radio	Out- door	CPI
1975	100	100	100	100	100	100	100
1976	124	133	122	121	120	115	106
1977	150	136	148	133	132	132	113
1978	172	161	177	139	148	140	121
1979	199	177	200	160	160	161	135
1980	222	201	215	177	185	165	153
1981	242	231	241	204	214	190	169
1982	269	269	253	221	227	211	179
1983	304	297	289	247	257	233	185
1984	370	338	337	278	292	255	193
1985	360	367	354	298	324	273	203

FOOTNOTE. Tables report trends in index form with 1975, the base year, indexed at 100. These cost estimates are based on the following units:

Network and Spot TV	30 seconds
Network Radio	30 seconds
Spot Radio	60 seconds
Magazines	one page/four color
Newspapers	milline black and white
Supplements	one page/four color
Outdoor	100 showings through 1981 50 showings 1982-86

Demographic CPM's are based on:

Day Network	Women 18 +
Evening Network	Total Persons 2 +
Spot TV	TV Households
Radio	Persons 12 +
Magazines	Circulation
Newspapers	
Supplements	
Outdoor	Total Population

Sources for audience information are:

Network and Spot TV	A. C. Nielsen
Network Radio	"RADAR"
Spot Radio	Arbitron
Magazines	Magazine Publishers Assn.
Newspapers	Newspaper Adv. Bureau
Supplements	Standard Rate and Data
Outdoor	IOA and estimates

Advertising expenditure and GNP data are from the Television Bureau of Advertising. Figures for 1986 are Ted Bates' estimates. The CPI is based on increases in yearly average compiled by the Conference Board.

WHAT A DIFFERENCE A

Television's robust rate hikes of the past are being tempered by the

by Marianne Paskowski

This was the year network television executives learned that the slowdown in corporate profits had finally begun to erode their own bottom lines.

The 1985-86 television season may well go down in the books as the year that advertisers seized a semblance of control over costs. While all three networks had glided through 1983 and 1984 with advertising rates rising annually in the double digits, the profits of their customers, the Fortune 500 companies, by contrast, rose a scant 1.1% from 1983 to 1985.

Last year, however, corporate America's woes became network television's. Clearly 1985 was not a good year for network television, which saw revenues drop 3.4% from $8.55 billion in 1984 to $8.3 billion. National spot tv, by contrast, fared better, with advertising revenues up 9% from $5.5 billion to $5.95 billion.

And the upcoming 1986-87 television season — so far — looks like more of the same. Network sales for 1986 remain sluggish, and most industry observers, including McCann-Erickson's Robert J. Coen, senior vice president and director of forecasting, predict that the year will show only a slight improvement over 1985 for the networks. Reflecting the weaker outlook, Coen revised and lowered his estimate of growth in network television advertising this year from 6% to 4%.

One week to the day following Coen's revised downward projections, CBS announced that it would be reducing its forces by 700 employees. The news came after a two-month review of all broadcast operations in response to changing marketplace conditions. "The broadcast industry must respond to an economic environment of long-term disinflation and stable but slow growth," said Gene F. Jankowski, president of the CBS/Broadcast Group.

Many analysts agree and predict that the network economy, at least for the near term, will not grow much beyond the current rate of inflation, 3%-4%. "The pricing leverage the networks had in the late seventies and early eighties is eroding," explains Mark Riely, broadcast analyst at Eberstadt Fleming. "Network tv is not a pure oligarchy anymore," he continues, alluding to the rise of independent stations, networks and syndication alternatives. "And the presence of cable and barter will prevent the networks from getting that leverage back."

Nor will network television be the only broadcast sector to feel the crunch. Advertiser-supported syndication and national spot tv activity are slowing down as well. While the national spot tv sector was quite robust, up 12% for the first quarter of 1986, McCann's Coen does not expect that boom to continue. Already the market showed signs of erosion in the second quarter.

Some media observers foresee a rocky road ahead for spot tv. "The networks are the cornerstone of price increases for all broadcast media, and when network is soft, then spot tv prices will go soft as well," advises Jerry Cohn, chairman and chief executive officer of Bohbot & Cohn, a seven-month-old media buying service which places the bulk of its $100 million in billings in national spot tv.

"The second quarter has not materialized," gripes Peter Galazian, president of the Katz Television Group, which has among its clients the Fox Broadcasting Station Group. Galazian, too, has toned down his year-end spot projections, expecting 1986 to end only 8% ahead of 1985, compared with his more optimistic earlier projections of a 9%-10% rise.

In keeping with the lukewarm economic forecasts, media directors, too, are playing it safe, planning on slight to moderate increases for all television buys. Most buyers were reluctant to

YEAR MAKES!

harsh realities of the economy and the broadcast marketplace.

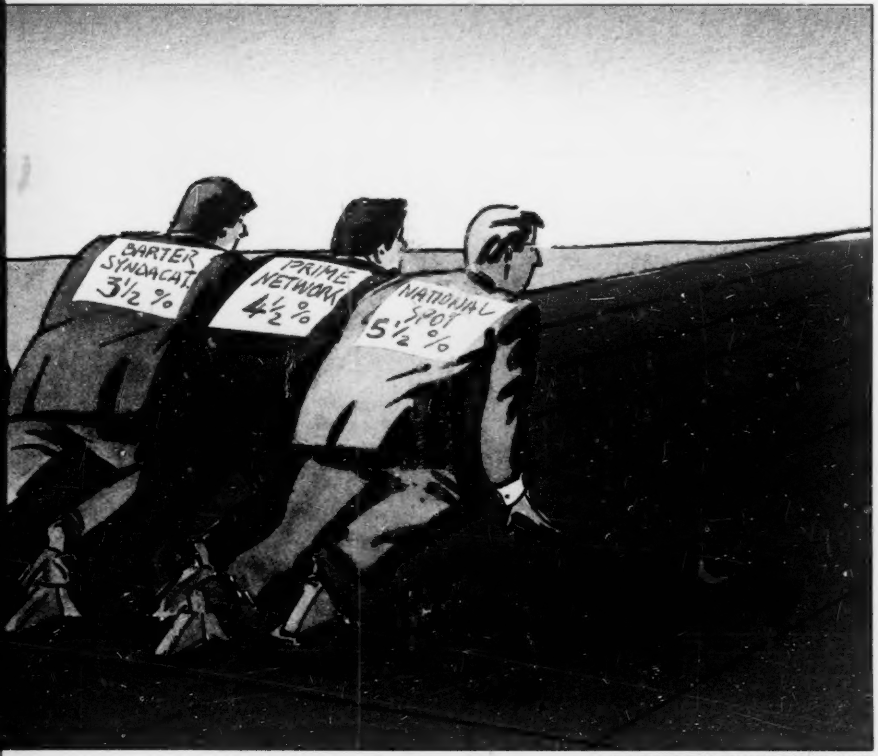


ILLUSTRATION BY ANDREA BARUFFI

hazard a guess as to what future scatter markets may hold in store.

However, *Marketing & Media Decisions'* yearly survey of anticipated media costs found that buyers were planning on relative rate relief for the following year. For network prime time, anticipated CPM changes averaged +3.7%; for network daytime, −3.3%; and for national spot tv, +5.3%.

NETWORK OUTLOOK

At press time, negotiations for prime time television had begun in earnest, with NBC, the number-one network, expecting to mop up nearly $1.3 billion in prime time business by the fourth of July. That left CBS and ABC to duke it out for the remaining $900 million to $1.1 billion that buyers estimated was the size of the rest of the market.

Negotiators, including DFS/Dorland Worldwide's Mel Conner, senior vice president and director of network operations, expected NBC's success in prime time to cause "a real dogfight between ABC and CBS to get that money." For an agency to buy on ABC or CBS, Conner noted, "you either have to get a terrific mix of programs or a very low, or no increase at all rate."

Most upfront buyers expected to pay well under 5% CPM increases on ABC and CBS, and 5%-7% increases for NBC's inventory. NBC earlier had floated out offerings asking for 16%-20% increases. Only its top-rated shows like *Cheers* and *Family Ties* got that type of heady increase. The real bellringer for the network, though, is *The Cosby Show*, which didn't lack for takers despite a 40% rate hike. On average a 30-second spot in *Cosby* now costs $350,000-$400,000.

But perhaps the biggest and most pleasant surprise in this go-round of negotiations was the huge discounts the networks granted to upfront daytime advertisers in early June when the market finally broke loose. On average, daytime CPM's were 10%-20% lower than last year's upfront prices. These bargains were not lost on buyers who quickly responded with signed contracts. An estimated 80% of the daytime market, representing about $600 million, had moved by the Fourth of July weekend.

"This was daytime's corrective year," explains Jake Keever, Capital Cities/ABC Television Network's executive vice president of sales. ABC, which is number-one in the daytime race, is believed to have captured about 50% of the total daytime dollars already.

With network daytime's double-digit price increases over the past three years, Keever concedes that "daytime really overpriced itself." Buyers this season who got the high end of those discounts — 20% — got it "because they overpaid last year," adds one media director.

The networks' strategy, some buyers say, was to unload daytime inventory at bargain-basement prices in order to tighten the subsequent scatter markets. "It made more sense for the networks to give big discounts upfront rather than to repeat what they ran into last year, which was pricing the time 30%-40% under upfront prices," explains one buyer. "That annoyed the upfront advertisers, that someone could come in at the last minute and get such tremendous deals," he explains.

But no one really expects those kind of deals in future scatter markets, says Richard Kostyra, J. Walter Thompson/USA's senior vice president and media director. "We were making a lot of deals at double-digit percentages below upfront, and there won't be much room for that now," he notes.

Looking ahead to the fourth-quarter scatter market and beyond, buyers were wondering what all of this upfront activity would mean on future pricing. "We really don't know yet," admits David Lerner, vice president of broadcast, F.C.B./Leber Katz Partners. "We are trying to track this and we already see that daytime in the third-quarter scatter market is tightening up," Lerner points out.

Over at Needham Harper Worldwide, Wes Dubin, senior vice president and director of broadcasting, was trying to get a handle on scatter conditions as well. "The scatter prognosis is rather bleak, but that might turn around in fourth quarter," says Dubin.

While sellers hope that 1986's books are a better read than 1985's, they nonetheless are braced for a tough go. With a less-than-robust economy, and no new money coming into the marketplace from new product categories, coupled with increased inventory resulting from the stand-alone 15-second commercial, the going certainly won't be easy.

Tough as it is, ABC's Keever feels that things are not as bad as they could be. "We have plans for about 50 of the 100 upfront advertisers," he noted during the beginning of upfront negotiations, "and looking at the levels that they spent last year and what they will be spending this year upfront, we actually expected they would be down more."

"We thought buyers would want to save more money for the scatter market," Keever continues, "but the plans were not *that* bad. They actually decreased their total spending levels by less than 2%." However, Keever does not expect to see any real improvement until the second quarter 1987.

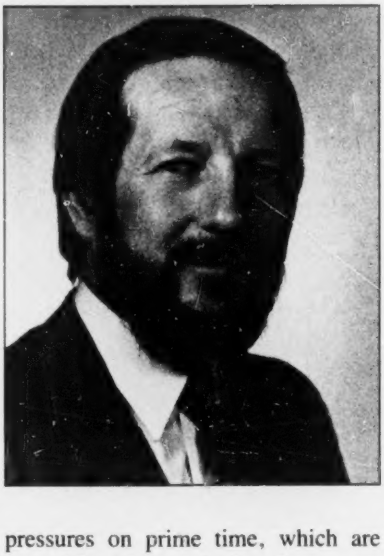
At first-place NBC, the tone is decidedly more upbeat. "We did fairly well in upfront and I expect a strong scatter market," notes Robert Blackmore, senior vice president of sales, NBC Television Network. "This is the year for advertisers who want to differentiate their brands to take advantage of the disinflation. The media are fairly priced," he adds.

Another unknown in terms of network pricing during the upcoming year will be just how popular the stand-alone 15-second unit becomes. Currently the units are sold on all three networks, in all dayparts, for half the price of a 30-second spot.

Most buyers do not envision the networks as being in any position to get a premium for the unit, because demand, they feel, is not yet high enough. The networks, for their part, seem leery about the unit which has

A CONVERSATION WITH RICHARD KOSTYRA

Richard Kostyra is senior vice president and media director for J. Walter Thompson/USA. Last year Kostyra held the honor of being the only media director interviewed by Decisions *to accurately predict that television pricing for 1986 would be flat or possibly down. Here's what he has to say about 1987.*



On the network outlook: I see budgets flat or down for next year. While advertisers made upfront commitments, there will be larger portions set aside for scatter. I see the scatter market continuing to be soft, but not as soft as this year.

We were making a lot of deals at double-digit percentages below upfront in the scatter market this past year. Next year, however, there will not be that much room for that kind of deal.

Sports will be stronger next year but all other dayparts will soften. Sports will firm up because of the increased pressures on prime time, which are caused by 15-second advertisers moving out of daytime into prime. Furthermore, there is a reduced number of prime time shows that appeal to males. All of those things will improve the sports outlook.

On syndication: Syndication may be hurting a little bit more than network. The upfront for syndication was slower paced this year, and much more spread out. Deals were signed, and we signed several, but only after we got the syndicators down to an appropriate CPM. That happened after we realized the networks would be flat or down.

On spot tv: Spot sellers are in a rare position. They have the opportunity to dramatically increase their revenue by providing the 15-second unit at 50% of the price of a 30-second commercial. That is something they currently don't do. If spot continues in that mode, the market will be down or flat.

If spot :15's do not come down, I see a lot of money shifting from spot to syndication or network. Advertisers want their :15's, but will not pay 75% of a :30 to get them. The danger is that once the money moves from the local market, it never comes back.

served only to increase their inventory in a tough market.

ABC's Keever, for one, does not sound too elated about the prospect of :15's on his third-place network, but says ABC had no choice because of CBS' earlier move to accept them. "We had canvassed the marketplace and found $2.2 billion in split-30, or :15 budgets that would have gone to CBS," he explains.

Another shadow on the networks' horizon is a battle shaping up involving audience measurement. A. C. Nielsen has delayed until next year the unveiling of its people meter, which will compete head on with AGB Television Research Inc.'s similar measurement device. Next spring, odds are network television negotiations will be done with one of those two systems. This year, upfront guarantees were still based on the diary. The networks now have one year to work with the two measurement services.

At question is just how large is the television audience and whether or not advertisers have been overcharged over the years. Early tests by both systems have shown that prime time network viewing is roughly 10% lower than what had been reported in diaries. Sources say this suggests that either the diary has been inflating network viewing all along, or that the people meter is somehow flawed.

"We will have some selling challenges," predicts one network executive. "It is possible that we will have to sell at a higher CPM to deliver the same amount of people," he states. "And buyers in turn will say, 'But I'm getting less people.' Actually, it's like devaluating currency. The advertisers will get the same audience; it's just being counted differently," he says, clearly not looking forward to this battle.

From the buyers point of view, not many clients will be willing to pay CPM increases when the people meter audiences appear smaller. Agencies just prior to upfront had beseeched Nielsen to roll out the meter for this season's negotiations, but Nielsen delayed the launch by a year.

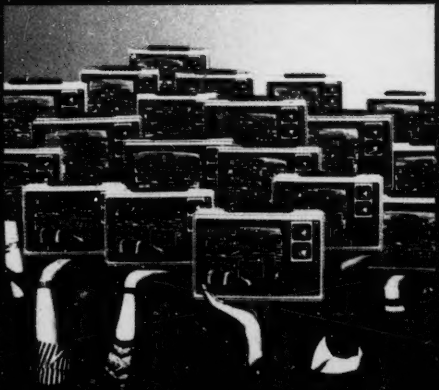
"The agency can say it won't pay if the networks try to inflate CPM because of the meter," says DFS/Dorland's Conner, "but the network will say, 'If I lose 5%-7% of my inventory because of the new people meter, then I'm going to have to factor in another 5%-7% before I even start to talk about increases.' So before you know it, the increase will be 12%," he adds.

But, if the networks try to get too much, Conner says syndication and cable, whose numbers he expects will rise with the people meter, will definitely get its money.

SYNDICATION

With barter syndication prices so closely tied in with the fates and fortunes of the larger network tv scene, many buyers anticipate that barter, too, will only get CPM increases in the 0-5% range next year. And they may not even get that.

"Barter prices are pretty limited by the network environment," notes



From the moment the first telecast made its way into a handful of living rooms, audiences were entranced, entertained and enlightened. Now, television is in nearly every household. Viewers receive more channels and have more choices than ever before. Television. It's the media choice that reaches 98% of all households. That's why advertisers invest a whopping 21 billion dollars each year. How do we know? We've been watching audiences watch TV since 1949—longer than *anyone*. And, as the medium and the audience grow and change, so do we. Developing new ways to define and describe who they are and what they watch. Arbitron. We know the territory.

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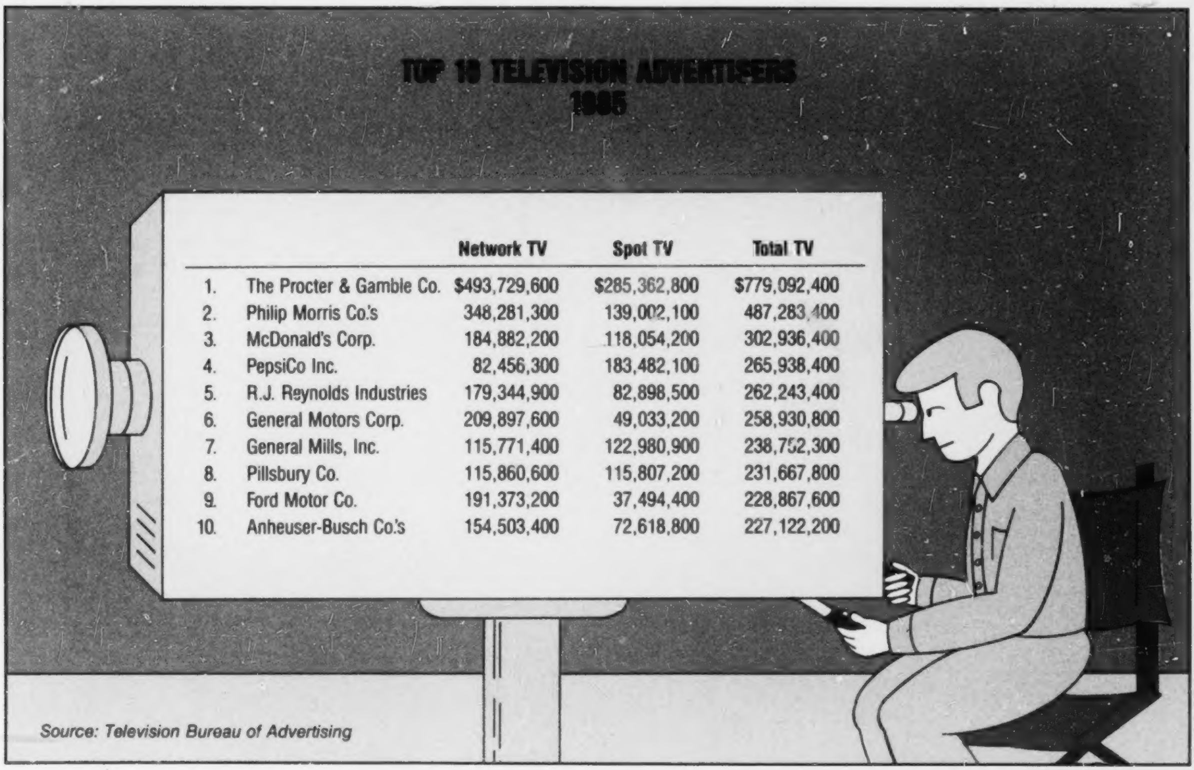


TOP 10 TELEVISION ADVERTISERS
1985

		Network TV	Spot TV	Total TV
1.	The Procter & Gamble Co.	$493,729,600	$285,362,800	$779,092,400
2.	Philip Morris Co.'s	348,281,300	139,002,100	487,283,400
3.	McDonald's Corp.	184,882,200	118,054,200	302,936,400
4.	PepsiCo Inc.	82,456,300	183,482,100	265,938,400
5.	R.J. Reynolds Industries	179,344,900	82,898,500	262,243,400
6.	General Motors Corp.	209,897,600	49,033,200	258,930,800
7.	General Mills, Inc.	115,771,400	122,980,900	238,752,300
8.	Pillsbury Co.	115,860,600	115,807,200	231,667,800
9.	Ford Motor Co.	191,373,200	37,494,400	228,867,600
10.	Anheuser-Busch Co.'s	154,503,400	72,618,800	227,122,200

Source: Television Bureau of Advertising

HAYES COHEN

Eberstadt-Fleming's Riely. "And syndicators typically sell at a discount to the network. So in this very weak network environment, you won't get much in the way of price increases for barter, if any. If the network is discounting itself at 20%, there is no real need to turn to barter," he logically points out.

And that is the scenario which indeed unfolded in the upfront barter and network daytime marketplaces. With network upfront daytime slashed to move, advertisers saw little reason to turn to barter. "Some of the syndicators are really hurting," notes FCB's Lerner. "When buyers got their 20% discounts on daytime network, they did not even bother with syndication."

The syndicators seem worried that perhaps barter's competitive edge may be getting a little rusty. "I wonder if some of the advertisers might be a little short-sighted now, by taking the best bargains with a very soft network," asks Dan Cosgrove, this year's president of the Advertiser Syndicated Television Association and vice president of media sales for Group W Productions. "Advertisers should be aware that this might eliminate an alternative that has kept a rein on network pricing," Cosgrove adds.

As ASTA's president, Cosgrove estimates that barter will finish the year at $600-$650 million. While daytime was extremely weak for barter syndicators, the kids' market was extremely good, and other dayparts "seem to be somewhere in between," he explains.

One of Cosgrove's biggest concerns is that he expects that syndicators will not want to continue to program unprofitable dayparts, like daytime. Cosgrove, too, expects to see less barter inventory overall in the marketplace next year, as many companies switch from an all-barter base to a barter/cash, or pure cash arrangement with stations. LBS Communications and TPE have already announced their plans to form cash divisions.

Ric Levy, president, Camelot Entertainment, which is the sales arm for King World's *Wheel of Fortune* and *Jeopardy*, sees a smaller barter inventory next year as well. "Fewer syndicators will be concentrating on all barter shows. They can't make it on a pure barter business, which is 100% dependent on demos and ratings. Unless they have extremely cheap shows to produce, they need the cash from the license fees," Levy advises.

All told, that might make good business sense for syndicators. "This was very much a testing year in the syndication business," Levy adds. "More shows than ever were carrying barter spots and the competition for those dollars was and is fierce."

For example, Levy, who sells the barter time for the widely acclaimed *Oprah Winfrey Show*, wound up only getting $14,000 per 30-second spot, rather than the $17,000-$20,000 he had originally hoped for. Other shows with high price tags, like Worldvision's *Throb*, which is priced at $40,000 per 30-second spot, have found few takers.

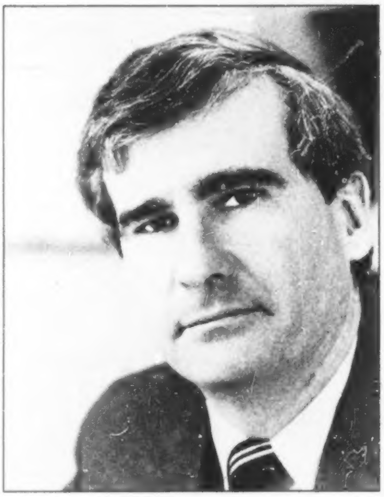
For the upcoming year Levy expects that single-digit CPM rate increases will be the rule rather than the exception, even for established shows like his own *Wheel* and Paramount's *Entertainment Tonight*. Unit costs, if ratings are higher, may rise as much as 20%-30%, according to Levy.

If there's a bright note to the barter story, it's the emergence of the people meter, which may work in barter's favor. In initial results from the people meter, syndication numbers are higher than posted in Nielsen's diary. "That's because independent tv stations score higher on the people meter, and indies carry a lot of our programing," explains ASTA's Cosgrove.

NATIONAL SPOT

Buyers were expecting CPM increases to average 3%-5%, pretty close to what sellers were hoping for, about 4%-5%, depending on the market.

"Any station, most likely NBC stations, which have growth in tv households will get the better CPM" notes Katz's Galazian. He also points to another factor which is having an impact on pricing in certain markets. In growth markets like Pittsburgh, Orlando, Fla., and Boston, he specifically cites, demand for local spot tv is putting pressure on the national spot inventory. Consequently, stations in those markets will get a higher CPM, Galazian advises.



> "... advertisers might be a little shortsighted ..."
>
> *Dan Cosgrove*
> *Vice president, media sales,*
> *Group W Productions*

But some sources envision that the cheapening network inventory may cause some advertisers to reduce national spot tv budgets. "With network prices going down," begins Hal Katz, executive vice president of Vitt Media International, a media buying service, "I would expect that some of the advertisers who traditionally use extensive spot lists would go in on network scatter buys."

One area where buyers expect prices to be higher than the average 3%-5% increase for spot tv overall is in the kids' marketplace.

Independent tv stations, which run a lot of syndicated children's fare, do not prescribe to the old National Association of Broadcasters code and its stringent guidelines on children's advertising. While the code has been abolished, the three networks still abide by it. Consequently, many marketers find it more attractive — and easier — to advertise their products in the syndicated fare.

"The kids syndication marketplace is already sold and the networks [which are not] are not delivering the kinds of kid audiences they used to because of the popularity of the action-oriented barter fare," explains Cohn of Bohbot & Cohn. This media buying service buys a lot of spot tv for 70 toy companies through client Toys R Us. Therefore, with the national barter time sold out and demand low for network kids programing, demand, reasons Cohn, will be higher for the local ad time in those shows.

And of course, the people meter will ultimately affect national spot tv sales as well. Will affiliates fare worse than indies, who say that the diary underestimates their audiences? "The numbers," answers Vitt's Katz, "have always been overstated in the sweeps for spot, so we will probably see some depressed numbers [for affiliates] which will affect negotiations just like network," he advises.

But Katz clearly seems to look forward to that day. Summing up what many sellers and buyers seem to be thinking about media costs, Katz concludes, "these are interesting times we live in, and that's a Chinese curse." ■

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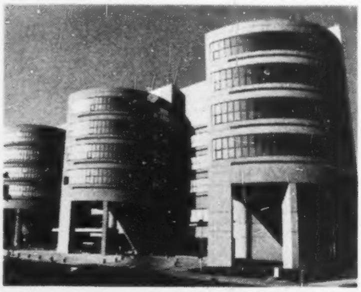


Teaching hospital: Medical College of Ohio at Toledo.

RATE CONSENSUS: "IT'S A DISCOUNT STORE"

Try as they might, cable has to look elsewhere to up revenues.

by Alan Breznick

Whatever growth the cable industry experiences next year — and most remain hopeful revenues will grow — it won't come on the strength of rate increases.

Instead, industry experts foresee national and local cable ad revenues climbing, though not as fast as in years past, because the cable networks will sell out more inventory and make subscriber increases and ratings gains during the coming months. Such developments may lead to slightly higher ad prices for a few isolated segments and the chance for more systems to sell more local ad avails.

Ad executives, cable marketers, analysts and other observers interviewed by *Marketing & Media Decisions*, however, say cable's overall CPM rates will generally rise no more than a 2%-3% in 1987, continuing this year's pace. That is, if they rise at all.

"Cable will suffer a little bit," warns Paul Isacsson, executive vice president of Young & Rubicam, who predicts CPM's will fall by at least 10% in 1987. "It's a tough market right now," admits Doug Greenlaw, vice president of sales for CBN Cable. "Everybody's out there scrapping for business." Laments Whitney Goit, vice president of ad sales and marketing for Arts & Entertainment, "It's a dollar a holler. Cable is a discount store."

Experts cite several reasons for the ad rate slump, which began in 1985. First and foremost, they note the con-

HOT
COMPETITION
SOFT
TIGHT
BUDGET
BROADCAST
MARKET

ILLUSTRATION BY ANDREA BARUFFI

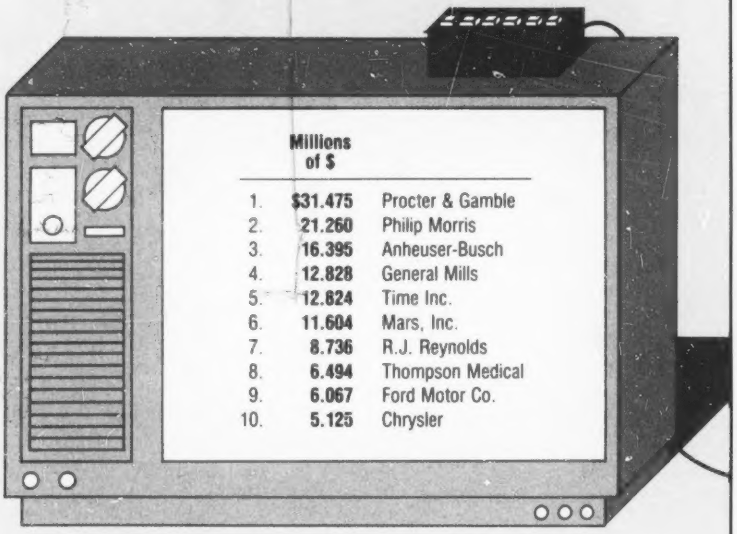
tinuing softness of the economy and the broadcast advertising market, which sets the standard for cable.

"Cable ad rates are just tied in absolutely directly with the cost of broadcast time," explains Ron Kaatz, U.S. director of media concepts for J. Walter Thompson. "A weak broadcast market leads to a weak cable market." Kaatz sees cable CPM's going up "very marginally," if at all, in 1987. Even a 2% increase, he predicts, will be "hard to justify."

Jim Cunningham, executive vice president of F.C.B./Leber Katz Partners, is less generous. With broadcast daytime and barter syndication rates in decline this year, he says, "there's no reason at all for cable to go up." He forecasts that cable CPM's will stay flat or dip 5%-10%.

Some basic cable services have contributed to their dilemma by slashing rates in heightened competition with each other, independent stations and barter syndication, and as more networks become measured, that compe-

Top 10 Cable Advertisers 1985



	Millions of $	
1.	$31.475	Procter & Gamble
2.	21.260	Philip Morris
3.	16.395	Anheuser-Busch
4.	12.828	General Mills
5.	12.824	Time Inc.
6.	11.604	Mars, Inc.
7.	8.736	R.J. Reynolds
8.	6.494	Thompson Medical
9.	6.067	Ford Motor Co.
10.	5.125	Chrysler

Source: PKA analysis of Broadcast Advertiser Reports data.

A CONVERSATION WITH RON KAATZ

Ron Kaatz is U.S. director of media concepts for J. Walter Thompson in Chicago.

On the broadcast/cable tie-in: Cable ad rates are just tied in absolutely directly with the cost of broadcast time. Cable strengthened the tie-in by stressing itself as a supplement to broadcast tv. So a strong broadcast market leads to a strong cable market and a weak broadcast market leads to a weak cable market. It's supply and demand.

On protecting the message: Advertisers are more and more concerned today with making sure the message gets communicated to consumers, not zapped off. So cable should look at different placement of ads. Rather than run any commercials together, they should put together more compatible commercials, have live lead-ins and viewer incentives. Try different things so the advertiser knows the cable operator is trying a little harder.

On dial positions: I think the cable systems are not maximizing the potential of selling cable. Low dial numbers should encourage people to flip-flop (between cable and broadcast networks). Put news and weather channels together. Put Arts & Entertainment next to PBS. Cable operators should be oriented towards the way the consumer thinks rather than the way a cable operator thinks.

On growth areas: The greatest potential is with the local advertiser. If I were a local operator, I'd be putting 99% of my efforts into selling local rather than national advertisers. Local advertisers are now spending a fortune on shoppers and other media.

On the people meter: It won't be the answer. There's still a lot to be done with it. It will be a long time until the people meter can help cable.

On rate projection: Cable CPM's will go up marginally, if at all. Maybe a couple of percentage points. That's even hard to justify.

tition will only intensify. With the addition of the Arts & Entertainment Network at the beginning of the year, there are now 13 cable networks on the Nielsen meter, each vying for a piece of the stagnant tv marketplace. And a few more, most notably VH-1, Black Entertainment Television and The Discovery Channel, are on their way.

Broadcast's shadow looms large over cable in still other ways. Cable ratings, which, with some exceptions, have shown little improvement over the last year, are still a mere fraction of broadcast's. The net result, of course, is a chill on rates. "I can't see how you can ask for more until the numbers get better," comments Don Olson, head of Electronic Media Consultants.

Larry Gerbrandt, an analyst for Paul Kagan Associates, argues that cable CPM's will only start to rise when the cable networks begin selling out 70%-80% of the ad inventory. In 1985, according to a Kagan analysis of Broadcast Advertiser Reports data, the top six cable networks (ESPN, CNN, WTBS, USA, CBN and MTV) averaged no better than 67% sellout ratios. And that high came in the fourth quarter, traditionally the strongest period for broadcast and cable ad sales.

Still, while most cable options labor under such constraints, there are exceptions. Some networks plan to boost unit prices 10%-15% for programs that scored well with advertisers and upscale viewers. ESPN, for example, already plans to hike rates for its expanded golf and tennis coverage in 1987 after netting increased ratings and sellout ratios on both sports earlier this year.

"I don't think you're going to have Magic Mountain jumps in cable, or any other media, in the next period," observes Burt McHugh, senior vice president and director of cable tv for Doyle Dane Bernbach. "But you will have more segments of cable doing well."

A few networks also may be able to command higher CPM's because they just went on the Nielsen meter. Arts & Entertainment, for instance, has been making "modest gains" in unit prices since debuting on the meter earlier this year, Goit points out.

Local cable advertising, which has become the industry's fastest growing segment, may be able to continue its more bullish performance in 1987. "Local cable advertising is holding up a lot better than national advertising," observes Robert Alter, president of the Cabletelevision Advertising Bureau (CAB), an industry trade group.

Robert Williams, president of National Cable Advertising, a New England ad rep firm, explains why. He says the typical local retailer — "the guy who wouldn't know a cost per point or a CPM if it crashed down on him" — is tuning in to cable because it's more affordable than tv and offers more precise market coverage than broadcast. "I think systems are finding that cable is very valuable to these people," Williams says.

On the other hand, Williams concedes, some local cable prices may flatten under pressure from larger advertisers who use broadcast and

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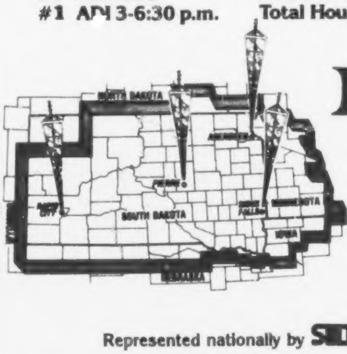
#1 ADI S/O-S/O	Women 25-54	44 share (tie)
#1 ADI Late News	Total Households, Mon.-Fri.	55 share
#1 ADI Late News	Women 25-54	61 share
#1 ADI CBS	Total Day	41 share
#1 ADI CBS	Late News	55 share
#1 ADI 3-6:30 p.m.	Total Households, Mon.-Fri.	40 share (tie)



kelo·land tv

Kelo-tv Sioux Falls, S.D. and satellites
KDLO-TV, KPLO-TV

Source: Arbitron Sweeps, May 1986

Above estimates include time slots and demographic information in equal facilities markets as analyzed by TV Radio Age. Survey data estimates subject to usual qualifications.

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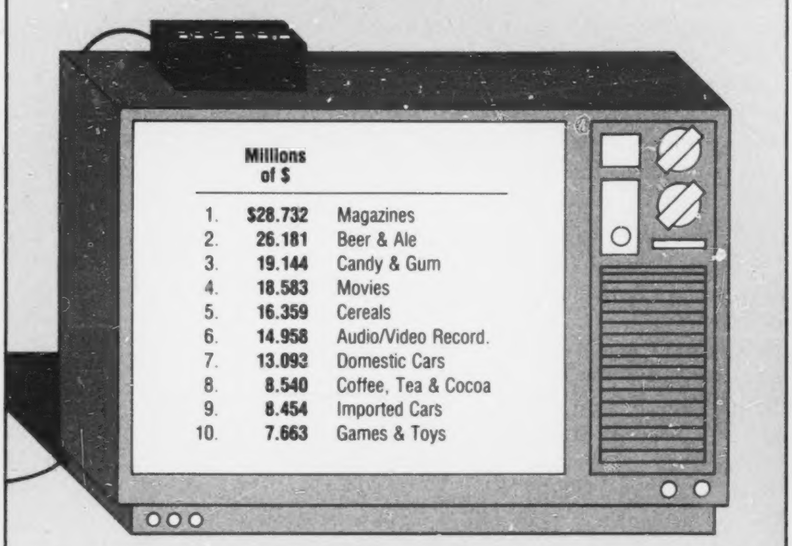
Top 10 Product Categories on Cable 1985



	Millions of $	
1.	$28.732	Magazines
2.	26.181	Beer & Ale
3.	19.144	Candy & Gum
4.	18.583	Movies
5.	16.359	Cereals
6.	14.958	Audio/Video Record.
7.	13.093	Domestic Cars
8.	8.540	Coffee, Tea & Cocoa
9.	8.454	Imported Cars
10.	7.663	Games & Toys

Source: PKA analysis of Broadcast Advertiser Reports data.

therefore measure cable by the same ratings and reach standards. "The tools for assessing the demographic wonderfulness of cable do not exist," he laments. "The tools just measure how many eyeballs you reach." Williams says he's looking for 5%-to-10% rate hikes for local cable advertising next year.

David Kelly, director of ad sales for Philadelphia rep firm Cable AdNet, paints a similar picture. He says local ad rates should increase no more than 10% next year.

Despite the chilly atmosphere surrounding rate rises, Paul Kagan Associates projects that cable network ad sales will jump 21% to $761 million this year, following a 29% rise to $628 million in 1985, from gains in subscribers and in ratings, strong local ad sales and improved unit sales. The 1987 forecast calls for an 18% increase to $895 million.

Kagan predicts that local cable ad revenues, which skyrocketed 62% to $139 million last year, will increase 35% to $187 million this year. In 1987, local ad revenue is projected to go up another 35% to $252 million, putting total cable ad sales well over the $1 billion mark for the first time.

But these figures have been revised downward from earlier, more optimistic projections. In addition, Kagan and CAB data show that cable's share of the total tv advertising pie continues to lag behind the medium's share of the viewing audience. In 1985, according to Kagan, cable's viewing share stood at 8.9% while cable ad revenue trailed at 7.6%.

Basic cable's viewing share did nose up slightly during the first quarter of 1986, driven by the success of Nashville, CNN and Lifetime, according to Nielsen estimates. And basic cable penetration rose to 47.4% of all tv homes in May, up from 45.3% a year earlier, Nielsen reports.

But the cable industry remains concerned that its growth curve may be flattening out sooner than anticipated. Officials fear that advertisers will not step up their commitments to the medium unless subscriber and ratings growth pick up more speed.

As a result, network and system officials are focusing on ways to boost ratings and viewing shares. Most notably, officials are talking about creating "punch-through programing" that would lure major audiences to basic cable for the first time. Such programing would include NFL football, the Olympics, major movies and comedy and drama series that now air first on broadcast.

Speaking at the April CAB conference in New York, John Sie, senior vice president of Tele-Communications Inc., America's largest cable operator, said operators are willing to reinvest their profits to come up with programing that could generate 10 and 20 ratings. Sie, whose company has made noises about starting its own advertiser-supported service, suggested that an industry-wide monthly rate increase of $1 could create a $500 million pool for new programs and greater audience promotion.

"Local cable is holding up a lot better than national advertising."

Robert Alter
President,
Cabletelevision Advertising Bureau

Industry officials have also placed greater emphasis on tune-in promotion by operators. The CAB has coordinated the development of a monthly tune-in kit that pulls together audience promotional materials from all of the basic services. As of late June, over 400 systems had signed up for the kits which include more than 100 ready-to-use print ads each month. CAB officials also planned weekly satellite feeds of tune-in announcements for cross-channel promotion.

"I think this is the year of the industry tooting its own horn with system-specific and program-specific promotions," says National Cable Advertising's Robert Williams.

Cable marketers are also pushing multi-set hookups and improved dial position for cable networks as ways of boosting cable ratings. Alter says studies have shown that both tactics improve ratings dramatically. "We know we can increase ratings and share by over 100% if we hook up the second and third sets [in a household] to cable," he says.

Some are still counting on the people meter, now in the testing stages, to solve cable's perennial numbers problem. They contend that the devices, if and when they replace the current meters, diaries and telephone coincidentals, will finally do justice to cable's reach among targeted, upscale consumers.

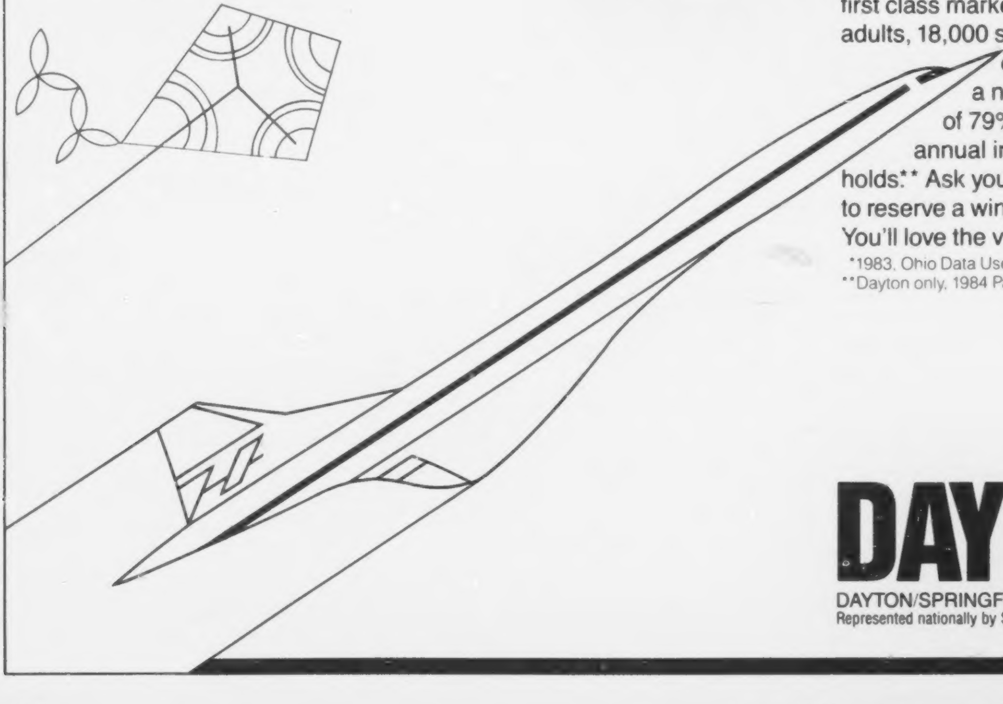
But few hold out the prospect of the people meter coming to cable's rescue before 1988 or 1989, at the earliest. "There's still a lot to be done with it," Kaatz cautions. "It will be a long time before the people meter helps cable."

Locally, a number of systems are turning to another measuring technique — the new Nielsen Cable Audience Profile (CAP) — to garner the detailed ratings and demographic information that larger advertisers and their ad agencies demand. Mary Lennon, a marketing associate for Nielsen's Home Video Index, says 50 to 100 of the 700 potential systems and interconnects have signed up for the semiannual reports, which give network scores for each system. "It's hard to get good local research at an affordable price," Lennon says. "You can't do meters for every cable system."

Critics argue, however, that the numbers are still not fair to cable because of Nielsen sampling problems. "We're concerned about the validity of some of the data," the CAB's Alter notes. "We think it continues to understate cable."

Several cable marketers believe that cable might do better on Madison Avenue if it chucked the numbers argument altogether. "Just when I heard that Madison Avenue was accepting the qualitative [audience] argument and was willing to buy on those terms, we're saying that we finally have the numbers," notes Kelly of Cable AdNet. "And I don't know how good they are."

Kaatz agrees. "You need all the numbers and ratings," he says. "But you also need to constantly reconfirm values of cable from years ago. You can't just sell yourself as a CPM medium." ■



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*1983, Ohio Data Users Center
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DAYTON
DAYTON/SPRINGFIELD NEWSPAPERS
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5%
4%
NETWORK
NATIONAL SPOT

ILLUSTRATION BY ANDREA BARUFFI

NETWORK'S HOT BUT SPOT IS NOT

by Marianne Paskowski

Talk about contrasts. The radio industry, already tough to get a handle on with its 21 networks and 8,000 local radio stations, is emerging as the medium with the biggest extremes in pricing.

On the one hand, network radio, with its hard-to-beat efficiencies, may very well turn out to be the media all-star of 1986. In 1985 the emerging medium grew 21%, boasting ad revenues of $329 million compared with 1984's total of $288 million. And for the first five months of 1986, the Radio Network Association pegs revenues at $142 million, representing a 16% increase over the first five months of 1985. Meanwhile, the CPM index for network radio grew from 279 to 293 in 1985/86, a 5% increase over the previous year, as recorded by the Radio Advertising Bureau (RAB).

National spot radio, by contrast, posted a 10% gain in 1985 on revenues of $1.32 billion, compared with 1984's $1.20 billion. Revenues are likely to remain at that level for 1986. Many radio sellers concur that "flat" would be the optimistic reading, adding that the year may very well come in slightly under 1985. CPM's for national spot are calculated by the RAB to have gone from an index of 240 in 1985 to 250, a 4.2% increase.

In terms of anticipated rate increases, both sellers and media buyers were all over the lot in estimating next year's CPM increases. For example, buyers surveyed in *Decisions'* annual media cost survey predicted a 5.0% CPM increase for network radio and a 4.0% rise for national spot. But other

Network radio hopes for a great year, while national spot scrambles to keep up.

buyers like DFS/Dorland's Sam Michaelson, vice president, associate buying director, foresee network radio increasing 9% and national spot 7%.

In early fall, after network tv budgets are put to bed, advertisers will turn their attention to a growing, new phenomenon, the upfront network radio marketplace. Radio networks including Capital Cities/ABC, CBS, Inc., NBC Radio Networks, Satellite Music Network, Sheridan Broadcasting Network, Transtar Radio Networks, United Stations Radio Networks and Westwood One/Mutual will all vie for a piece of the pie which may cost more per slice in 1987.

While many media struggled in 1985-86 to weather a poor advertising environment, and do not expect much bottom line improvement until the second quarter of 1987, network radio is taking it all in rather smugly. It never felt the pinch. Indeed, during the network radio scatter market at press time, inventory was selling at CPM increases of 15%-20%, enthuses Lou Severine, vice president, director of sales for the seven Cap Cities/ABC Radio Networks. This go 'round, Severine expects CPM increases in the 6%-10% range for upfront advertisers, and 15%-20% increases for scatter buyers.

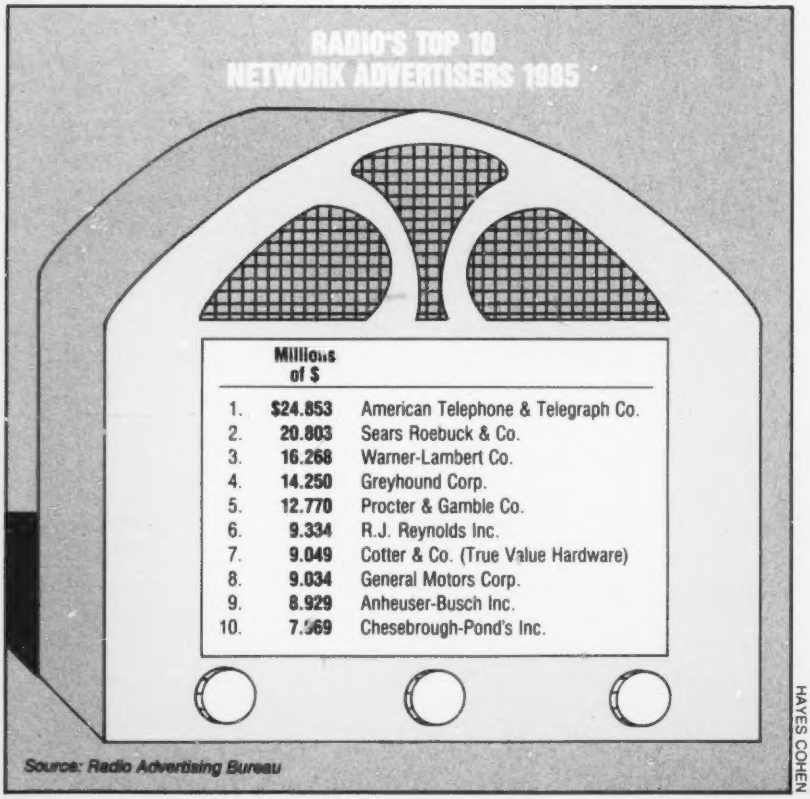
> “Buyers . . . think if they have bought network radio, they have covered the medium.”
>
> ***Edward Kiernan***
> ***Vice president, general mgr.,***
> ***CBS Radio Representatives***

Likewise, Randy Bongarten, the president of NBC Radio, which owns three networks, envisions another banner year in 1987. He predicts network revenues will be up another 8% while CPM increases will range from 5%-6%. "The growth in network radio," Bongarten says, "has not been evenly distributed, and is primarily in the youth and special programing area."

Why the sudden burst of activity in network radio? Mike Drexler, executive vice president, national media director for Bozell, Jacobs, Kenyon & Eckhardt, attributes network radio's good fortunes largely to the soft economy. His point is that in a year when advertisers were nervous about their own financial performance, as well as the continued health of the economy, network radio looked like the place to be for the smart money. For example, a buyer can reach 85% of the country on a larger network like the CBS Radio Network for approximately $2,500 per 30-second commercial.

"Advertisers in a slow-growth economy are looking for ways to gain more efficiencies from investments, and the media efficiency from network radio has always been exceptionally good," explains Drexler. He points out that this is the first year where the actual CPM increase for network radio is running higher than for television. But beyond efficiency, Drexler also notes radio's ability to isolate specific audiences, a talent highly prized in this era of target marketing.

BJK&E certainly puts its money where its mouth is. The agency is radio's biggest fan, billing $156.2 million in radio last year, or 14.2% of its overall take. The next largest agency investor in radio is BBDO at $146.2 million. Some of BJK&E's biggest radio clients are Lee Jeans, American Airlines, Greyhound Corp and Chrysler.



RADIO'S TOP 10 NETWORK ADVERTISERS 1985

	Millions of $	
1.	$24.853	American Telephone & Telegraph Co.
2.	20.803	Sears Roebuck & Co.
3.	16.268	Warner-Lambert Co.
4.	14.250	Greyhound Corp.
5.	12.770	Procter & Gamble Co.
6.	9.334	R.J. Reynolds Inc.
7.	9.049	Cotter & Co. (True Value Hardware)
8.	9.034	General Motors Corp.
9.	8.929	Anheuser-Busch Inc.
10.	7.569	Chesebrough-Pond's Inc.

Source: Radio Advertising Bureau

HAYES COHEN

Robert Lobdell, director of the Radio Network Association, also cites network radio's efficiency as the cause for its newfound appeal. A number of packaged goods companies, including Procter & Gamble, Chesebrough

Pond's and Warner Lambert, regularly show up on network radio's top 25 advertisers list. "P&G [which spent $13 million in network radio last year] is very efficiency-minded," Lobdell adds, "and one of its major reasons to expand in network radio is its ability to target a narrower demographic than they get from tv, and to do it cost effectively."

Many marketers, like P&G, Lobdell continues, use radio to reach working women. In a recent R.H. Bruskin study for the Radio Advertising Bureau, women were found to dedicate two-thirds of their media time to radio, more than the time they spend with all other media combined.

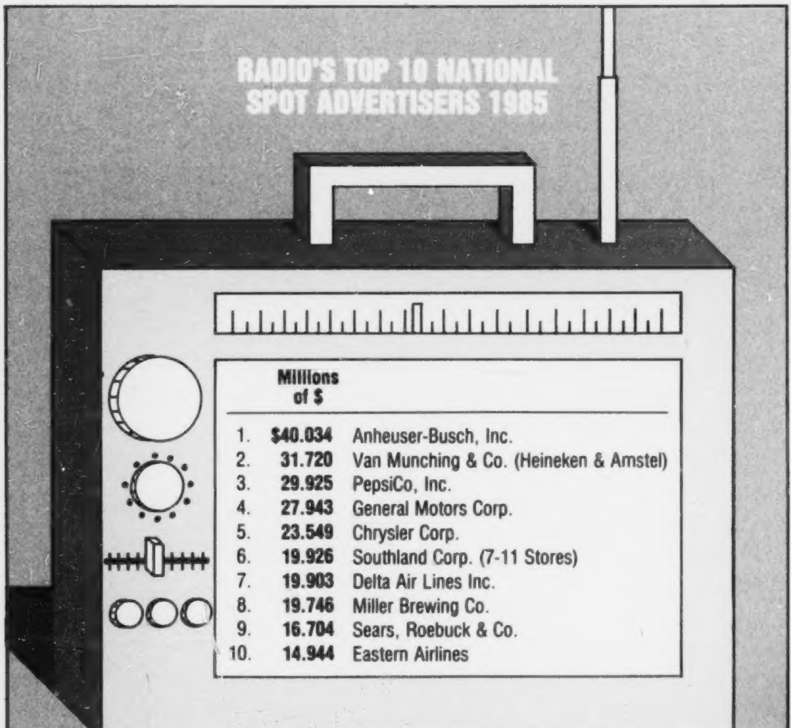
Miles Laboratories, at the recent Association of National Advertisers and the Radio Advertising Bureau's joint radio workshop, said it would place 15% of its total ad budget for five brands in network radio this fall. Miles has used network radio in tandem with magazines for its Multiple Vitamins to reach married working women.

"It is difficult for our media planners to ignore network radio," explained Mitchell Streicker, vice president and director of Miles' media operations. "Even if you accept the idea that radio recall and persuasiveness is 50% of tv — which I don't — radio is still way ahead," he concludes.

Retailers too have jumped on the network radio bandwagon. Of the top 25 network radio advertisers, five are retailers. Lobdell says that many retailers, including Sears Roebuck, K mart, True Value Hardware, Goodyear Tire & Rubber and Radio Shack, have changed their marketing plans from a regionalized to national approach, using national media.

Still, despite its growing popularity, many media buyers say they will not pay more than a 3% CPM increase for network radio. "I really don't expect extreme increases in network radio," says Angela Becker, supervisor of Ted Bates' radio unit. "This was a real hot year for network radio, and they raised rates 5% higher than anyone else last year," tells Becker. Now her reasoning is that "in order to remain competitive with network tv, they will not have the flexibility to do that again next fall."

One possible pullback on the growing popularity of network radio is the



RADIO'S TOP 10 NATIONAL SPOT ADVERTISERS 1985

	Millions of $	
1.	**$40.034**	Anheuser-Busch, Inc.
2.	**31.720**	Van Munching & Co. (Heineken & Amstel)
3.	**29.925**	PepsiCo, Inc.
4.	**27.943**	General Motors Corp.
5.	**23.549**	Chrysler Corp.
6.	**19.926**	Southland Corp. (7-11 Stores)
7.	**19.903**	Delta Air Lines Inc.
8.	**19.746**	Miller Brewing Co.
9.	**16.704**	Sears, Roebuck & Co.
10.	**14.944**	Eastern Airlines

Source: Radio Advertising Bureau

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DAY 2 The ADVANCED media day highlights strategic planning issues involved with; defining target audiences, setting effective reach and frequency, geographic allocation systems, media mix and organizing a media plan.

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23, 24 **Cleveland • Bond Court Hotel**
24, 25 **Kansas City • Vista International**
*30, Oct. 1, 2 **Los Angeles • Beverly Hilton**

OCTOBER
7, 8 **Detroit • Michigan Inn**
*14, 15, 16 **Atlanta • Hotel Tower Place**
22, 23 **St. Louis • Marriott's Pavilion**

NOVEMBER
3, 4 **New York • Marriott Marquis**
5, 6 **San Francisco • Ramada Renaissance**
12, 13 **Minneapolis • Northstar-An Omni Hotel**
*18, 19, 20 **Dallas • The Registry Hotel**

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use of the 15-second television commercial. Cap Cities/ABC's Severine acknowledges that ":15's scare me more than anything else." If network :15's catch on in a big way, Severine feels some of his customers may kiss network radio goodbye.

And to a limited degree, that may be happening. For example, at Western International Media Corp, a buying service, Elizabeth Brooks, senior vice president, says that many of her clients have already shifted out of radio into television. "Clients really *want* television. And because budgets are not increasing, the first thing that goes is radio," she notes.

Oddly enough, radio sellers also worry that should the economy turn for the better, network radio could be left in the cold once again. Cap Cities/ABC's Severine acknowledges that when the economy is good, network tv also has a good year. But for some mysterious reason, when network tv has a good year, network radio has a bad year.

National spot's struggle: Unfortunately, the success of network radio has taken its toll on national spot radio.

While sellers of national spot have always griped about being the media planner's last priority, they also point to changes within their own industry which have made for a tougher sell.

"One of the things about network radio," begins Ed Kiernan, vice president and general manager of CBS Radio Representatives, "is that until five years ago, major stations in major markets like New York were not network radio affiliates. So, when you buy network radio today, your coverage in the top 10 markets is much stronger than what it used to be. And buyers, unfortunately, think if they have bought network radio, they have covered the medium," Kiernan outlines.

Radio buyers admit being less than enthusiastic about national spot. "We have been doing very little spot because most of the larger reps have outpriced themselves," explains Bates' Becker. "When we go back to a client that distributes in 80% of the country, and he sees what it costs for spot, the client will simply find network more efficient," she says. Becker estimates 3%-4% CPM increases for national spot radio next year.

While most media buyers agree with Becker's estimates, CBS' Kiernan says, "considering how lackluster a year it was, 3%-4% would be on the optimistic side." Kiernan was bracing for a tough summer, hoping that things would turn in the fourth quarter.

Kiernan's competition, McGavren Guild's president Ellen Hulleberg, was looking for relief sometime after the first quarter 1987. Hulleberg, however, is hoping for 7%-8% increases for national spot radio in 1987, and sounds determined not to be beaten down by the agencies this negotiating round.

"The pressure on agencies is tremendous. It seems like each time they have to beat the cost-per-point they established last time. So instead of coming in with something that is a little bit higher than last year," Hulleberg gripes, "it's the same or lower."

It reaches beyond sight. Into the imagination. 200 million listen every week. Three and a half hours every day. On the road, at work, on the jogging path, 96% of all Americans sing its tune, hear its message. That's the power of radio. Radio advertising sells. How do we know? We've been measuring and describing radio audiences so you can turn the power of radio into money—for over 21 years. Arbitron. We know the territory.

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As she readily admits, "there are many stations that are willing to do that because they need the quick revenue fix. So what happens in many cases is that the agencies do beat their cost-per-points and become heroes. That's why agencies are probably looking at a 3% increase, but we're going to "push for a 7%-8% increase," she declares.

One interesting twist some national spot radio sellers may be exploring is the group sell. Last spring, the Federal Communications Commission dropped its regulation which prohibits separately or commonly owned stations servicing the same market from offering combined advertising packages. While only Gannett so far is selling television, radio, newspaper and outdoor packages, media sellers like CBS' Kiernan are also exploring the turf.

CBS Radio Representatives met in early summer with Bonneville Broadcasting about the possibility of offering advertisers time on Bonneville Seattle tv station KIRO-TV, and KIRO-AM, a station CBS Radio represents. Both stations carry Mariner baseball and are discussing the possibilities of packaging a sports deal for advertisers.

While nothing has been decided between CBS and Bonneville, Kiernan is clearly excited about the possibilities. "Up until a couple of months ago we couldn't even think in this direction. But now, the FCC says go ahead and do it within reason, and we will find out what that means," Kiernan adds.

Kiernan believes group selling will take off, if media companies can make a neat effective package for advertisers. "This is the year you should be doing things like this," Kiernan advises other media.

Agency media directors are a little less enthusiastic about the notion. J. Walter Thompson's senior vice president and media director Richard Kostyra says that "conceptually," he's open to the idea, but in practice finds it difficult. "What I want is to package the things I am already buying for a lower rate, and that is not the seller's motivation. Their motivation is to get me to package things that I'm currently not buying," Kostyra notes.

Another unanswered question for all media, but of particular concern to spot radio, is what kind of clout will the mega-merger agencies actually exercise. Some radio sellers are clearly worried.

"The Omnicoms of the world are probably not good news for spot radio," worries CBS' Kiernan. "Spot radio is a medium that needs time, attention and enthusiasm. And I am concerned that if efficiency of operation is the goal of an Omnicom, then spot radio doesn't have the kind of place it might somewhere else. I have no examples of this happening yet, but it is a concern," Kiernan says.

Buyers are wondering about the power of clout as well. "I'm not sure that the Omnicoms will get a better price, but they will get better opportunities for the best programing because of their tonnage," notes DFS/Dorland's Michaelson.

Not everyone is so concerned, however. JWT's Kostyra does not think the new Omnicom (the combine of BBDO, Needham Harper Worldwide, Doyle Dane Bernbach) or Saatchi & Saatchi empires will result in more clout. "Not unless they unite their actual media departments, which they have not done so far," he points out. "Clout does not exist unless it's in the hands of an individual. Clout in the hands of a corporation is meaningless," he concludes. ■

A CONVERSATION WITH ANGELA BECKER

Angela Becker is supervisor of Ted Bates' radio unit in New York. Last year Bates spent $98 million in radio, or 5.1% of the agency's total billings, according to the Radio Advertising Bureau.

Some of Bates' big radio clients are Panasonic, M&M/Mars and Warner-Lambert, which the agency lost at press time.

Bates, in terms of radio cost increases for the upcoming year, is figuring on the low side, 3% CPM increase for network and 3%-4% for national spot.

On costs: We do not expect to see such extreme increases in national spot or network radio. Spot has been pretty quiet for us and network radio, to remain competitive with network tv, will not be able to ask for high increases.

Future: Radio has not moved forward in 10 years. Advertisers still lean toward tv. Agencies are at fault to a degree; nobody wants to be a radio copywriter, for example. It's the nature of the beast. Television is just more of an ego medium. We have clients who will lean toward tv even if the CPM's are comparable to network radio. It is ego.

On network :15's: The :15's will help television even more. And when all media are relatively cheap, like this year, that tends to hurt radio even more.

On mega-mergers/mega-clout: I'm not so sure this will happen in radio. Even though we make national buys for radio, it is still a local medium and is still an individual medium.

We have quite a few clients going into network radio, so the bulk of the dollars going into network radio has helped us overall.

CAN PUBLISHERS JUMP THE HURDLES?

Despite some strengths, many factors are working against consumer magazine publishers as they eye rate increases for 1987.

by Rebecca Fannin

The pressure will be on consumer magazines asking for even slight advertising increases for the coming year, and for many reasons. Lower television prices are creating more options for financially strapped advertisers. Corporate advertising budgets are just managing to outpace inflation. Magazine pages are declining while the number of publications continues to multiply. The liquor and tobacco businesses, two of magazines' most ardent supporters, are going south. And magazine rate negotiation is coming out of the closet.

"This may be the first year that all these factors are converging to affect magazine rates," declares Philip Guarascio, executive director of advertising services at General Motors Corp. "But all this is creating an opportunity for advertisers to be more aggressive, flexible and imaginative."

Guarascio, who has pushed for concessions from magazines like elimination of bleed charges and special position premiums, may find 1986 the year that he gets to play chieftain at the bargaining table.

Already, it seems clear that magazine cost hikes won't be as high as in years past. While media buyers may not find the deals as good as, for instance, in daytime television, where declines of 15% are reported, magazines still probably won't ask for much more than a 5% rate increase. That is a relief compared to the annual 7% to 8% increases magazines have de-

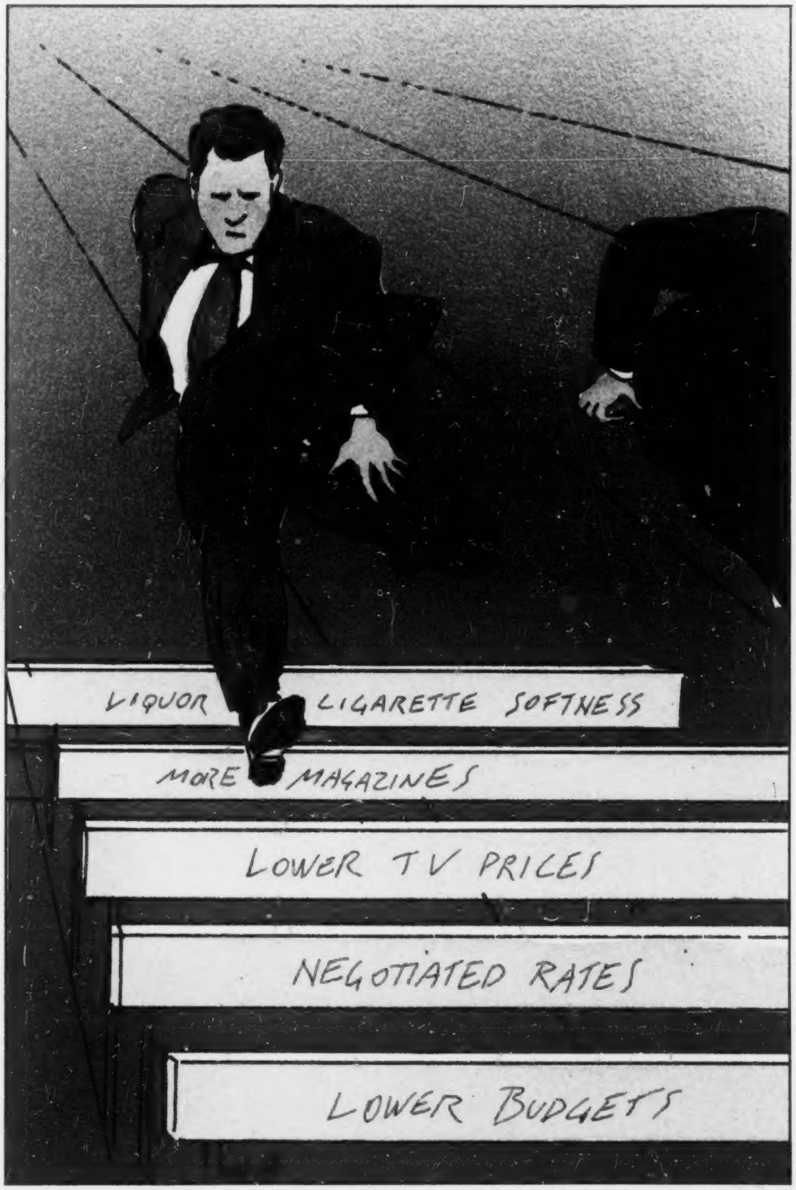


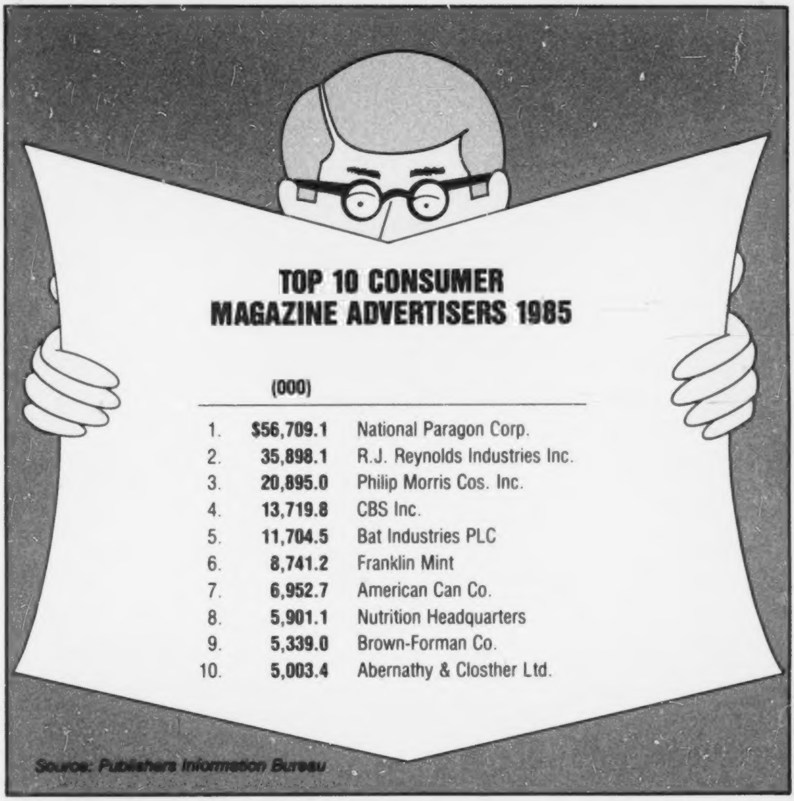
ILLUSTRATION BY ANDREA BARUFFI

manded in recent years. But in this softening economy, advertisers and their agencies are still miffed that consumer magazines are raising their rates at all.

"There is no reason to believe that they will be raising rates, nor does it make any sense," says J. Walter Reed, senior vice president and director of media at F.C.B./Leber Katz Partners, Inc. "With shorter length tv commercials, there are more options at less cost."

"It's a good question why they need to raise rates at all," seconds Leo Scullin, vice president, director of print and new electronics at Young & Rubicam Inc. Still Scullin is predicting that rate increases will be in the 2% to 5% range. He believes that "those magazines at the high end should give justifications for those increases."

Magazine ad buyers say lower rate hikes are justified in the coming year, in part because publishing expenses have leveled off. While magazine profit margins have dropped by 1.64



TOP 10 CONSUMER MAGAZINE ADVERTISERS 1985

	(000)	
1.	**$56,709.1**	National Paragon Corp.
2.	**35,898.1**	R.J. Reynolds Industries Inc.
3.	**20,895.0**	Philip Morris Cos. Inc.
4.	**13,719.8**	CBS Inc.
5.	**11,704.5**	Bat Industries PLC
6.	**8,741.2**	Franklin Mint
7.	**6,952.7**	American Can Co.
8.	**5,901.1**	Nutrition Headquarters
9.	**5,339.0**	Brown-Forman Co.
10.	**5,003.4**	Abernathy & Closther Ltd.

Source: Publishers Information Bureau

HAYES COHEN

A CONVERSATION WITH MIKE DREXLER

Mike Drexler is executive vice president and media director at Bozell, Jacobs, Kenyon & Eckhardt.

On the cost forecast: We are expecting a rate increase of 5.6% compared with 7% to 8% last year. Magazines are experiencing inflationary costs in overhead such as salaries. But magazines haven't had any big increases in postal costs, paper or ink. So there is still the question of whether there should be increases at all.

On magazine costs in comparison to tv: For the last two years, we have had a case where magazine ad increases have surpassed tv's. This is a whole new thing that could be very bothersome. It could mean that more money goes into tv rather than magazines. On the other hand, the growing use of 15-second tv commercials could mean that more advertisers need to use magazines to better explain or describe products.

On negotiations' effect on rates: We are seeing negotiating taking place among magazines that are considered the third or fourth publication in their category. There's also more pressure for negotiating by ad agencies that are setting themselves up for it.

I don't just mean negotiations on a straight cost-per-thousand basis, but perhaps reductions on positioning and bleed charges, multi-year incentive programs, special category discounts and merchandise packages.

We have just set up a tracking system for magazines. First we see what kinds of discount packages are being offered. Or we might also track magazine CPM's in comparison to other media, the editorial product, or say, the rate of inflation against CPM's. The object is to get a snapshot of the industry while getting the best possible deal for our clients. Then we begin discussions with individual magazines within specific categories to find out from them how they are going to operate, what kinds of guidelines they are setting forth on each of these points. Then we go ahead and talk budget on behalf of the brands. What this process does is put us in a better position to affect further discussions.

On magazines' lackluster health: The prediction is for some real turn-

percentage points to 9.65% of gross revenues since last year, many operating costs have gone down. For instance, another postal increase in second class mail is not expected until 1988 or 1989. The last one, in 1985, was for 14%. Moreover, an influx of four new paper machines at major mills should increase supply by as much as 30% next year, according to *Paper & Pulp* magazine. Although supply was tight in this cyclical business just two years ago, next year there will be plenty of excess capacity. Magazines are only anticipating their paper usage to increase by 3.7%. Paper price-cutting already has occurred. In February, a 5% discount was introduced and spot reductions have followed since, says the magazine. More price cuts are expected by the end of the year.

Relatively low rises in the Consumer Price Index also are encouraging advertisers to yell, "No more hikes!" Last year, the CPI was up by 3.6%. Through May 1986, it has only been another 1.6% climb.

Though some publishers are attempting to introduce new cost efficiencies by putting together involved package schemes, media buyers don't see much price relief either in the multi-title or cross-media group packages that mass media companies like the Gannett Co., parent of Sunday's *USA Weekend*, are offering at discounted rates. They complain that often these packages are a jumble of media titles or properties without thought to clients' marketing needs for a cohesive set matched to their goals. "It's not a function of discounts as long as it's done from a selfish standpoint of selling more," states Y&R's Scullin. "There has to be some common thread of lifestyle or editorial."

When the books *can* be unified, like with Hearst's multi-title buy of upscale magazines, the savings can amount to as much as 30% versus the rate of buying each individually, according to

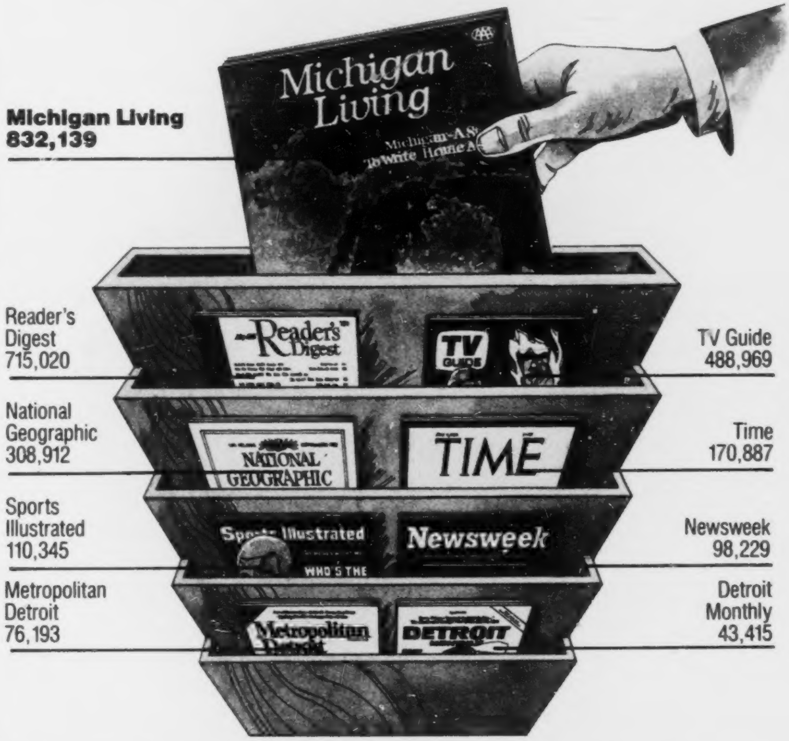
around and perhaps more growth in the economy by mid-1987.

Strengthening of the automotive category is benefiting magazines. And there is also advertising growth from consumer electronics, financial services and healthcare. But there is nothing on the horizon that will be a big boom.

On how big ad agency mergers affect rates: People are saying that these agencies will have more clout in buying media. But we're not brokers. We don't buy media for all of our clients as a group whole. If we did, then we would be able to get better deals. But it could turn into a bloody battle over what client got what deal.

On multi-media group sales: It only makes sense if the total package is better than each of the media. There has to some common bond in the media package like delivery of the same audience lifestyles or targets. Too often, these multi-media deals are force-fed to the advertiser.

LEADER OF THE RACK



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Source: ABC Audited Statements, Dec. 31, 1985

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Guess what your market is reading?

Hearst Corp. executive vice president George Green. But multi-package deals haven't become a very popular sales tool at most media companies because of political infighting. For instance, what happens when a stronger magazine, newspaper, outdoor chain or tv station consistently has to support weaker properties? "Then you have fighting over where to spread the credit for the buy," points out Ed Papazian, a media consultant with *MediaMarket Guide*.

Any savings from the combined clout of agency media buying departments is expected to be years away too. R.J. Reynolds media director Dan Pearson says that he has been able to strike better deals since the tobacco company's in-house media buying department was joined with merged Nabisco Brands. But at advertising agencies, space and time are bought separately for individual clients rather than brokered as a whole for the agency's total client lineup.

Eventually, however, the agencies will probably "form their own media buying services," notes Joe Campion, director of media services at Chesebrough-Pond's. But Campion questions whether large bureaucratic agencies that can command this clout will also be able to attract the best negotiating talent.

Understandably, magazine publishers are much more bullish about the prospect of a revitalized magazine selling environment and the need for additional charges to advertisers. Hearst's Green predicts rate increases of approximately 5%, citing mounting costs for salaries, office space and inflation as rationale. And judging by the business Hearst magazines are picking up for the fall, he believes a recovery is just around the corner.

Magazines are also optimistic that the growing popularity of 15-second commercials will help to boost magazine spending. "They're just not that effective. They give the name and then they're off. Advertisers will need magazines to better describe or explain the product," points out Joe Fuchs, a corporate vice president with Conde Nast Publications.

But magazines are having to grapple

BASIC DATA FOR CONSUMER MAGAZINES
SELECTED YEARS—1960-1985

	1985	1984	1983	1982	1980	1970
Number, including farm publications	1,859	1,816	1,759	1,644	1,506	1,182
Advertising in major magazines						
Pages (per year)	152,100	153,600	133,000	120,800	115,300	76,990
Dollars (millions per year)	$4,920	$4,668	$3,421	$3,222	$2,374	$1,169
Circulation per issue						
ABC audited magazines (millions)						
Single copy	81	82	83	86	91	70
Subscription	243	233	222	217	174	173
Total	**324**	**315**	**305**	**303**	**265**	**243**

Source: James B. Kobak

FINANCIAL PROFILES OF MAGAZINE PUBLISHING
1983-1985
(Amounts expressed as a percentage of total magazine revenues)

	Percentages		
	1983	1984	1985
Total number of magazines reporting	154	172	169
Revenue			
Net advertising revenues	49.87	51.91	49.70
Gross subscription revenues	33.70	32.97	33.29
Gross single copy revenues	16.43	15.12	17.01
Total magazine revenues	**100.00**	**100.00**	**100.00**
Advertising expenses	9.15	9.47	9.38
Circulation expenses	25.07	24.83	26.87
Editorial costs	8.40	8.66	8.51
Manufacturing and distribution expenses	36.90	36.55	36.19
Other operational costs	3.27	3.31	3.29
Administrative costs	6.32	5.89	6.11
Total magazine costs	**89.11**	**88.71**	**90.35**
Operating profit (before taxes)	**10.89**	**11.29**	**9.65**

Source: Magazine Publishers Association with some very troublesome and longer-term financial clouds. Ad growth of 7.6% this year should outpace economic expansion of 6%, predicts Robert J. Coen, McCann-Erickson's senior vice president and director of forecasting. Magazines, however, may not get their share of this growing pie. For the first five months of 1986, ad pages are down by 0.8% while revenues showed a 3.9% increase. That follows 1985's dismal performance, when ad pages decreased by 3.3%. Revenues, however, were up by 4.5%.

And financial analysts who study the magazine industry don't expect ad page increases to pick up until early next year, at the soonest. "We've been hearing about this turnaround that's going to come for consumer magazines until we've gotten tired of the cry, 'Wolf! Wolf!' " says Kevin Gruneich, an analyst with the First Boston Corp. "I don't think that we'll begin to see a turnaround now for at least a year," he notes.

Gruneich points to declining newsstand sales as part of his rationale for magazines' ill health. Single copy prices have risen by 29% since 1980, and some readers have balked. Last year, newsstand sales declined by a slight .02%, notes the Magazine Publishers Association. However, subscription prices, which have soared by 27% over the past five years, still are showing increases. Last year, subscriptions were up by 4.5%, according to the association.

Magazine advertisers, who account for half the publications' revenues, meanwhile, have been asked to ante up 33% more on a cost-per-thousand basis over the past five years. (For comparison, the CPI rose 23% since 1980.)

Cost increases, of course, have not been the sole source of magazines' travails. The real problem is "that magazines are only first choice for booze, butts and autos," says Alan Gottesman, analyst with L. F. Rothschild, Unterberg, Towbin. Two of those categories, liquor and tobacco, have fallen onto hard times and cut back in magazine advertising. Coen figures spot a 5% decline for liquor advertising and a 3% decrease in mag-

CONSUMER MAGAZINES ADVERTISING RATE INDEX

	Unit Rates	Cost per Thousand	Consumer Price Index
1970	100	100	100
1977	119	123	156
1978	120	135	168
1979	140	146	187
1980	156	162	212
1981	173	179	234
1982	189	195	249
1983	203	212	258
1984	224	227	269
1985	241	242	279
1986 (est)	255	256	287
1970-77 Increase	19%	23%	56%
1977-86 Increase	114%	108%	84%

Source: James B. Kobak

CONSUMER MAGAZINES CIRCULATION PRICE INDEX

	Average Single Copy Price		Average Yearly Subscription Price		Consumer Price Index
	$	Index	$	Index	
1970	$.63	100	$7.16	100	100
1977	1.11	176	13.39	187	156
1978	1.21	192	14.86	208	168
1979	1.33	211	16.30	225	187
1980	1.48	235	16.75	234	212
1981	1.62	257	18.06	252	234
1982	1.80	286	20.28	283	249
1983	1.97	313	21.53	301	258
1984	2.07	329	22.61	316	269
1985	2.10	333	23.15	323	279
1986 (est.)	2.16	343	23.84	333	287
1970-1977 Increase		76%		87%	56%
1977-1986 Increase		95%		78%	84%

Source: James B. Kobak

azine ads for cigarettes for the first quarter of 1986. The once-bright spot in magazine advertising, computers, is also dim. Computer spending is down by 35% so far this year, Coen notes.

Not much hope is held out for other categories to take up the slack left by the tobacco and liquor companies. "The only guys who are happy are the mailmen," jokes Gottesman.

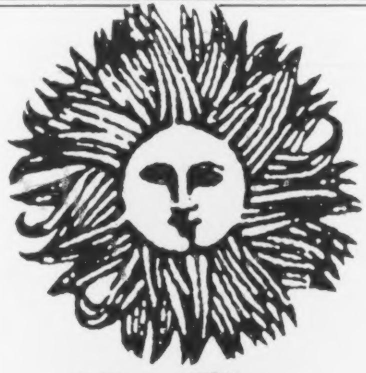
The continued softness of the magazine industry is making for a particularly ripe time for haggling over prices. Advertising agencies which had remained mum when asked whether they were negotiating magazine rates now have publicly stated this very reality. N W Ayer's senior vice president and media director Marcella Rosen says, "We are very often offered lower rates when there are two or three competing magazines and the agency takes the best offer. Then, what happens is the loser comes back with a better package. We have always negotiated merchandising and positioning. But now we are seeing more price-oriented deals, like volume discounts and the creation of special rates for certain categories," says the director at Ayer, which recently released a positioning statement on the form of negotiating taking place.

Advertisers too are sharing in the bargains. At Chesebrough-Pond's, Campion reports that since assigning magazine buying to media buying service Clifford Botway Inc., the packaged goods giant is seeing discounts of as much as 15%. "We are seeing discounting right off the rate card. One magazine offered us a 40% discount, but we turned it down because it didn't fit into the media plan." R. J. Reynolds' Pearson also reports that he's "seeing a higher level of interest in offering incentive discounts like guaranteeing the CPM or making additional discounts on volume. They will say, 'If you spent $1 million this year and if you maintain it regardless of the rate, we will give you an extra cap on the CPM.' " He adds, "We are seeing this not just in highly competitive or weak categories."

Negotiation of magazine rates has grown more common as the number of magazines has increased. According to the *Ayer Directory of Magazines*, there are 11,328 publications, about 1,100 more than just five years ago.

Magazines beset by these off-the-rate-card deals are trying to build in some long-term rate protection of their own. For instance, at *Family Circle*, a well of advertising has been created in the book so that no ad is adjacent to editorial. The space is being sold at a 40% discount. Others are trying to lock up multi-year plans in hopes that they can avoid the rate bargaining issue.

But with the soft economy for magazines, advertiser demands for bargains are likely to intensify. "If magazines were smart," says Walter Staab, president of media buying service, SFM Media Corp., "magazines could get competitive and challenge the networks. They could let their rates ride for 18 months. But they just never seem to grab this opportunity." ■



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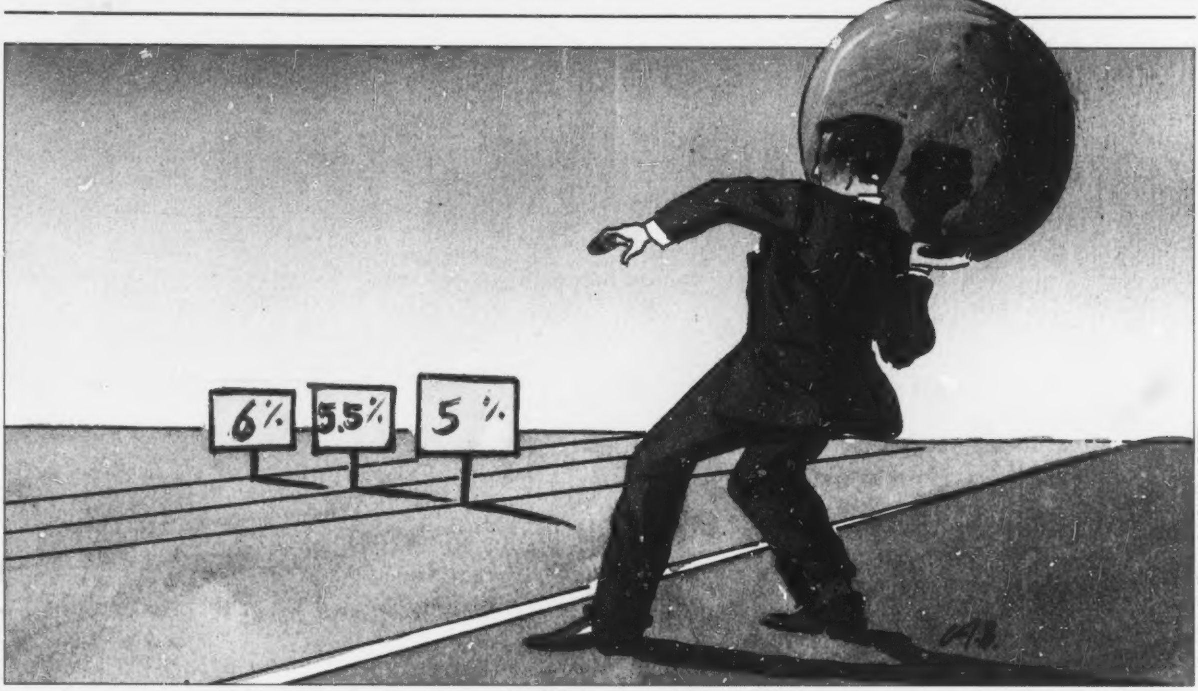


ILLUSTRATION BY ANDREA BARUFFI

ANYTHING BUT BUSINESS AS USUAL

With the costs of publishing down, agencies expect a cooling of trade cost trends.

by Fred Pfaff

Charles W. Gade, BBDO/Business to Business' director of media, has a bite to his voice as he handicaps the climate for the business press. "With business magazines' inflation now static, no paper shortages or postal increases and advertisers demanding more for the dollar, 1987 is going to be an all-time low for rate increases — between 3% and 5%," he states firmly.

Decisive though he may sound, others say he may be in for a not-so-happy surprise. Publishers look to increase their rates on average from 5% to 8% for the coming year. Rate rises, they argue, are the most reliable way for them to cover costs from staff benefits to editorial improvements that are rising faster than the rate of inflation.

Many planners are braced for 5% to 7% increases. But with most client budgets holding flat and a spirit of negotiation sweeping the magazine industry, publishers will be pressured for inducements like never before. Pinched advertisers have already tumbled the industry into more off-card dealing than many can remember. In addition to cutting frequencies and books and devoting more to direct mail, planners say they and their clients will now press for greater merchandising support and the kinds of discounts and group buys business publishers have resisted.

There's no denying that business has been soft for the business press. "They're not doing as well as they thought they would," notes Joe Newman, associate media director at HBM/Creamer and noted business-to-business media veteran. "They're cutting expenses. They're slashing staffs."

Indeed. Gordon Publications director of corporate research Perry Patterson had to revise his predictions on revenues downward after the soft first quarter. Patterson originally foresaw a 2% rise in business press pages for 1986. But by the end of this past June, he'd changed his projection to a 2% decline in pages for 1986. The business press finished 1985 just above even in pages.

In rough years, magazines are the victims of the industries they serve. While corporate profits aren't falling across the board, there's no question that some markets are floundering. The electrical industry, for one, saw first quarter profits fizzle by 12%; the machine industry grinded down by 55%; mining profits took a 17% plunge; and service industries raked in 17% fewer bottom line dollars.

Under-the-gun publishers note that even in a soft market their costs are going up. They point to a recent uptick in the Consumer Price Index. Down under 2% this year, the CPI is expected to hit 3.5% to 4% in 1987. Publishers are quick to claim they have more costs which rise faster than the CPI. Even junior clerks in the finance department, notes Penton/IPC chairman Thomas L. Dempsey, demand 5% to 6% pay hikes every year. Dan M. Sember, president of MacLean Hunter Publishing Co., for one, sees labor costs rising at a 5% to 6% rate next year. Richard J. Moeller, president of Harcourt Brace Jovanovich Publications, foresees salary outlays jumping even higher, from 7% to 9%, and insurance costs rising 10% for 1987. Healthcare costs, Sember notes, are slowing thanks to industrywide efforts at cost containment, but the rate of increase remains as high as 30% for next year. And with business down, points out Penton's Dempsey, it actually costs more to put out a thinner magazine.

Still, publishers have some good news on costs that makes it tougher to appease advertisers angered by increases. For one thing, Sember notes that publishers have been able to negotiate with printers to maintain or re-

A CONVERSATION WITH KARL KAUFMANN

Karl E. Kaufmann is manager, corporate marketing communications for 3M Corp.

On rate increases: They've got some tough times going for them right now, and I think they're going to have to hold the line. From an advertiser's standpoint, budgets are really being held tight. Everything we do, from trade shows to direct mail to advertising, is under very close scrutiny.

When the costs of doing business — printing, paper, and so on — were going up, we could definitely see the reason for increases. We see a lot less of those costs going up now, so we're going to be very resistant to increases. Magazines ought to price on a constant cost per thousand. If their circulation goes up, fine, we ought to pay for that.

On the alternatives: We're certainly pressing for negotiation. What I'm looking for is, based on the weight of the total advertising that we do as a company with a publisher, against all of his books, an opportunity to negotiate rates for those books over and above frequency discount. That's the way I think we've got to go in this whole business-to-business market.

There are ways to reach business people other than in the business-to-business press. For instance, cable television. If you can segment your audience into cable television, and you can find a significant audience there someplace, there are opportunities you ought to be looking at there.

On preprints: We're using them more and more. We're identifying important markets, then aggregating products from multiple divisions, then contracting and producing sections for magazines that show all of our products that speak to that market. A year ago, we might have placed seven individual ads in a special issue of *Electronic Packaging & Production*. This time, we aggregated everybody and put them into our own section. We got a greater presence, we were able to negotiate for a better rate, and our leads went up exponentially.

On merchandising: We'll be asking for more support. When we do a section, say 24 pages, we'll get the publisher to overrun that section with an 80-lb. wrap-around cover that we'll use for collateral and merchandising. The section becomes a selling tool.

Publishers like to design merchandising programs to take advantage of their own capabilities — printing, for instance. We may not need that. We as advertisers have to decide what tactics will support our other tactics. I think we'll see more advertisers begin to ask publishers for what the advertiser needs in the way of support.

On the biggest threat: If publishers don't begin to do some of these things, we're going to find large companies bringing the whole media planning and buying process into their companies so they can take advantage of everything they do. Or they're going to start taking a hard look at media buying services on the outside.

duce those essential costs. The paper picture is also stabilizing. The Magazine Publishers Association's "Paper Outlook" predicts paper consumption will rise 3.7% overall and 4.3% for coated groundwood in 1987.

Paper manufacturers expect nonmagazine users to keep dipping into the supply of number-5 grade stock at the rate of 10% to 15% a year. Publishers are using more paper than U.S. companies can run through the mills, but the American Paper Institute predicts new U.S. paper machines will raise domestic capacity by 7% for 1987. And foreign suppliers — now more than 6% of the total U.S. paper market -- are also helping fill the gap. The result: Premiums shouldn't put publishers through the roof. Indeed, for printing and paper combined, MacLean Hunter's Sember can't see costs increasing more than 2% to 3% in 1987.

Some publishers seek safety behind postal increase threats. But MPA Washington counsel David Minton can't see one coming in 1987. MPA negotiations for lower rates for publishers who sort their shipments haven't won them any discounts. Minton reports, however, that the Postal Service, now reporting profits, hopes to hold off an increase until after the 1988 election.

Like their counterparts in the consumer field, business publishers stand to benefit from the pending new tax bill, which would lower the ceiling on the corporate effective tax rates to between 30% and 33%. "The typical publisher is now paying 45% in taxes," notes Chapin Carpenter, an MPA senior vice president. "And he doesn't have a lot of depreciation that lowers the rate. The bill is favorable."

That doesn't make rate increases any easier to justify to an ad community that has watched business press revenues dwarf page growth by more than 700% since 1974. "The fact of the matter is, revenues are up," points out Bert Peller, J. Walter Thompson USA vice president, manager, media for business markets. "The specialized business press has been sustaining itself on rate increases for years."

BBDO's Charles Gade agrees: The business press has been approaching a danger zone with regular rate increases, and planners aren't buying the old cost rationales. "They have literally been unconscionable when it comes to rate increases," he argues. "They have a standard ploy in that their costs continue to grow, and paper is out of sight, and a postal increase is coming . . . The way it really works is they sit down around June and say, 'What do we think the freight will bear this year? If the average is 10%, and we ask 11%, we won't stick out, but we'll get just a little bit more than the next guy.' "

With clients lucky if they increase their budgets by even 4% this year, planners are really under fire. They face a shadow of fear: Clients who find their agencies not tough enough with business books may start hiring independent media services or taking buying in-house. "The old days of automatic increases and advertisers accepting them are gone," affirms HBM/Creamer's Joe Newman. "Advertisers are at a stage where they want a return on investment." One client Newman serves, faced with a flat budget, issued a mandate this year: Put any magazine whose rates rise automatically under a separate, harsher light.

> “We're at a crossroads: Publishers have to work with us a lot better than they have.”
>
> ***Charles W. Gade***
> ***Media director,***
> ***BBDO/Business to Business***

BUSINESS PRESS SCOREBOARD

year	no. publications measured	pages	revenues (000)
1985	2,760	1,810,500	$3,021,000
1984	2,775	1,775,000	2,850,000
1983	2,750	1,705,000	2,447,000
1982	2,725	1,740,500	2,328,000
1981	2,675	1,778,000	2,156,000
1980	2,650	1,700,000	1,925,000

Source: Association of Business Publishers (measured publications have quarterly or more frequency).

For planners, the new pressure mandates "creative" scheduling. The alternatives they're weighing will likely chip away at publishers' bottom lines. Publishers and planners alike expect advertisers to press for more off-card deals in the tight environment. Already this year the business press has seen an eruption of that frowned-upon practice to the extent that MacLean Hunter's Sember says, "I've never seen it this bad before. And because of all the mergers and acquisitions in the business world, I'm fearful that we're going to see more and more advertisers pressing for off-the-rate-card rates."

Off-card dealing is only the first offshoot. Planners promise to take scissors to their schedules. Cutting frequency is the first place senior vice president, media services, Herbert D. Gordon will look for Ketchum Advertising USA clients, provided he can maintain six-time to nine-time frequencies, the minimum range he thinks makes any real impression. HBM/Creamer's Newman agrees. "Clients will end up using fewer magazines or fewer pages," he says. "The publications on the list that are number one and two are going to hold their schedules at the higher rates. The publications further down are going to be cut back, or will lose their schedules altogether." But if the number-two book comes close at more attractive rates, Newman can see substituting it for the leader for a year or two.

Too-high rate hikes are one more excuse to look at other media, especially now that clients who merge or acquire end up searching out spending overlaps and shrinking their ad budgets to a lean, core effort. Peller expects the tendency for merged companies to adopt umbrella campaigns to put the squeeze on highly vertical books that make themselves more expensive. Already, Ketchum's Gordon finds direct mail "very appealing for business-to-business. You can do in direct mail the same thing you can do in trade media: Focus on a particular target segment. And direct mail can develop a higher response."

And all other media are mounting stronger challenges in the opinion of Meldrum & Fewsmith's Gene Thompson. And, he warns, "once consumer media provide measurements of their audience in terms useful to the business media, there will be a lot more receptive ears." Radio, others point out, is especially attractive as a targeted alternative.

Pressed by clients, planners will take a tougher stance when they turn to the business books.

The first place planners will focus their demands is on volume discounts, cross-publication buys and corporate packages — incentives some business publishers remain reluctant to offer. As HBJ's Moeller explains the traditional resistance, publishers fear group buys undercut their striving to keep each of their company's books a separate profit center.

> “Direct mail can focus on target segments and can develop a higher response.”
>
> ***Herbert D. Gordon***
> ***Senior vp, media services,***
> ***Ketchum Advertising USA***

It is an attitude, says Meldrum & Fewsmith's Thompson, that "clients find hard to understand." Since a continuous wave of mergers among publishers — more than 10 since August 1985 — is bringing books together, and since General Motors Corp.'s heavyweight Media Council has set the tone for negotiation in print, publishers know the pressure for group buys will be on from more advertisers.

As a result, BBDO's Gade foresees the resistance breaking. "I think top management at the publishing firms is starting to say, 'I don't care what the publishers want. Group packages will better the bottom line for the company.' "

Group buys have existed, but not without their skeptics. "Ziff-Davis and Petersen had group plans for years, and they hardly made a dent in the overall sales" is how James B. Kobak, chief executive of James B. Kobak & Co., thinks of group plans. Both planners and rival publishers doubt that creative packages of books within the same industries at such companies as Cahners Publishing Co. build the bottom line. Yet heads are turning to one group combination, called Manufacturing Technology, that Technical Publishing Co. introduced early in 1985. By buying a page in the supplement for a cost-efficient rate of $13,999, advertisers reach top manufacturing professionals in the seemingly different *Datamation, Dun's Business Month, Plant Engineering* and *Control Engineering*.

Merchandising is another way to get more for the ad money. Oddly enough, publishers build into rate hikes a budget for merchandising — most say between 0.75% and 2% of ad revenues — but they seldom promote it and few advertisers take advantage of it. Now planners say they'll ask for better supports they'll suggest themselves, since, as BBDO's Gade puts it, "most of the merchandising aids publishers have offered have been junk."

Just the same, many advertisers simply want the bucks back through extra-frequency discounts and group buys. That strategy doesn't please MacLean Hunter's Dan Sember. Business books are underpriced to begin with, he says; and since discounts undercut profit margins, publishers wind up with more costs to cover the following year. "In the long run," he warns, "somebody's going to pay for it in the form of increased rates, that's all."

Joe Newman of HBM/Creamer counters with a warning of his own: "There's going to come a point where publishers can't increase their rates anymore because they can't sell the product at those rates."

His warning carries a critical message. After all, "We're at a crossroads right now: 'What's the alternative?' " points out Charles Gade. "The scream so far has been, 'Stop increasing your rates; we can no longer afford to keep up with arbitrary increases.' It hasn't reached the point of asking if advertising at a lower level is doing any good. But it certainly has reached the point of, 'Mister publisher, you've got to work with us a *lot* better than you have in the past.' " ■

A CLASH OVER HOW MUCH IS TOO MUCH?

Publishers are caught between mounting costs to upgrade their medium and stubborn resistance from space buyers.

by Fred Pfaff

Welcome to the industry that seems to continuously stab itself in the foot. That's how a cynic could introduce newspapers on the eve of the medium's annual rate increases. With publishers' traditional cost pressures stabilizing, and with possible cost breaks coming from the pending new tax bill, some might think this is the year newspapers hold rates and win back advertisers who have soured over rate hikes in recent years.

Don't bet on it. Increases, it seems, are as reliable as a daily deadline; and newspapers look to raise their rates between 6% and 8% for the upcoming year. Like 1986, that's less than the double-digit increases the medium strung together in the early 1980's. But it's higher than the inflation rate and the typical rise of client budgets, which tend to shrink in uncertain economic times.

In their defense, publishers point to mounting costs of improvements ranging from sharper color reproduction to finer reporters. But media planners say the rate increases aren't justified. None of the alternatives planners are weighing are good news for newspapers: cutting frequency, cutting papers, cutting markets, running more local broadcast and sending out direct mail.

Publishers have been cautious this year about discussing rate rises. For one thing, the economic climate, publishers and their rep firms point out, is uncertain at best. Gross national product estimates for coming quarters, for

Illustration by ANDREA BARUFFI

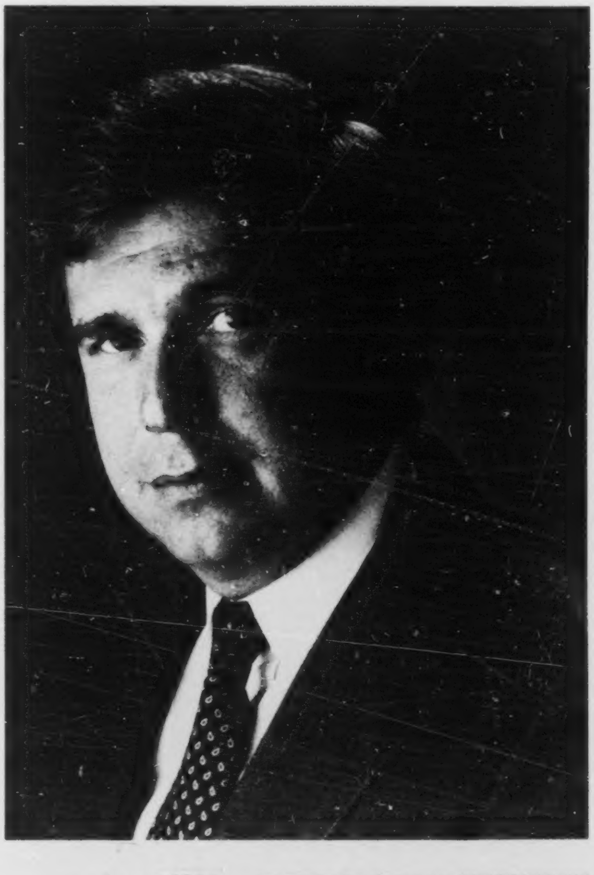
example, vary by as much as 6%, cites Kingsley Anthony, president of rep firm Million Market Newspapers, Inc. A variety of changes are making it hard for analysts to predict ad spending for 1987. J. Kendrick Noble Jr., first vice president at Paine-Webber and noted analyst of publishing stocks and trends, for one, finds a hitch in his traditional models. The U.S. government, he explains, has effectively rewritten the nation's economic history by revising economic indicators back to their origins in 1929, leaving analysts with a cloudy climate "like nothing we've ever encountered."

Indeed, predictions of rosier times for 1987 — forecasts of 3% economic growth, for example — may be more hope than reality. "The widespread euphoria about economic improvement with the new tax bill is uncertain at best," cautions Noble. "So is the advertising climate associated with it." For now, Noble estimates advertising expenditures in newspapers will increase by 9% next year — a calculation that defies his instincts.

> "We may have to start considering newspapers as a last resort."
>
> *Jack Cohen*
> *Vice president, director of print and outdoor buying, Doyle Dane Bernbach Group*

Noble isn't alone in uncertainty. First quarter sluggishness has already led both the Newspaper Advertising Bureau and Robert Coen, senior vice president and director of forecasting at McCann-Erickson Worldwide, to make significant downward revisions in their newspaper advertising predictions for the year. Coen had predicted that newspapers would grow by 6% in 1986. The NAB had predicted advertising in the medium would grow 9.9%, and in particular by 9.7% in national, 9.1% in retail, and 11.3% in classified.

But newspapers lagged the pace of those predictions in the first quarter. According to the NAB, the medium finished only 3.7% ahead of 1985 — up only 1.3% in national, 1.4% in retail and 8.1% in classified over the first quarter of 1985. So this past June, Coen revised his annual forecast, predicting 4.5% growth, while the NAB toned down its projection to growth of 8% — 8% in national, 7% in retail and



Some of the smartest media buyers buy the Beacon Journal

Talk to somebody who really understands the Cleveland ADI, Jim Pockmire, Senior VP Media, Wyse Advertising, Cleveland:

"The Cleveland ADI is unusual because it consists of several sizeable cities — Cleveland, Lorain, Canton and Akron. The Cleveland television stations cover the ADI.

"But there's no single newspaper that blankets the area. If you're using newspapers, the typical approach of thinking in terms of one paper per market just won't work. While the Cleveland paper gets 35% coverage of the ADI, it's very lopsided coverage — it gets 62% of the Cleveland metropolitan area and only 5% of the balance of the ADI. By buying the Akron Beacon Journal, you pick up a substantial part of the balance, because it has 60% coverage daily and 77% on Sunday in the Akron MSA.* And you're not paying for duplication of readership, either."

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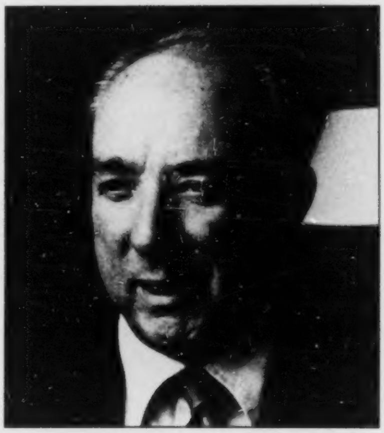
10% in classified advertising.

Some publishers have held their tongues, claiming they await the passage of the new tax bill before they crunch their budgets. Under the bill, effective tax rates would be lowered to between 30% and 33% for most corporations, a significant break from rates approaching 46%. The equally significant downside, according to one newspaper association lawyer, is that newspapers will lose the tax credits that have allowed them to deduct plant investments in the past.

Kevin Gruneich, First Boston Corp. vice president and publishing analyst, foresees a hike for national space. Gruneich predicts rate rises will be lower in highly competitive situations, a reading newspaper rep firm executives affirm. Gruneich reasons rates will rise higher in the Southeast and on the West Coast, markets that have boasted higher circulation growth than other regions, as well as for such "class newspapers" as the *Washington Post* which tend to dominate their markets.



> "If you need the market and there is one paper, you're stuck."
>
> ***Bud Shields***
> ***Newspaper buying supervisor, Campbell-Ewald Co.***

Some other major markets may strain client budgets badly. In Baltimore, where Hearst Corp.'s perennially weak News-American finally folded this year, newspaper executives foresee more dramatic rate rises than the industry norm. Watchers predict the same for Detroit, where the Gannett Co.-Knight Ridder Newspapers Inc. joint operating agreement has ended a famed *News-Free Press* battle that was fought largely on price.

Publishers' cautious silence is plain enough to Gruneich. "You'll always find silence when inflation isn't going up and papers want to raise rates to that degree," he says. "Telling about it would just give advertisers more upfront time to complain about the increases. Why would you want to do that?"

Especially not in a year when publishers' fundamental costs don't threaten dramatic jumps, and dragging corporate profits cast doubt on any swelling of ad budgets. Profits fell 3% for U.S. corporations in the first

On which side of the bay is your bread buttered?

Photo location courtesy Arthur Rutenberg Homes

THE TAMPA TRIBUNE

The Tampa Tribune serves appetizing demographics daily and Sunday. Your advertising profits from the Tribune's elegant presentation of the basic ingredients of sophisticated selling.

The Tampa Bay market — Florida's number one market in terms of population, households and effective buying income,serves you prospects on a silver platter.

The Tampa Tribune's readership represents a gourmet palate to the astute media buyer, offering more 25-54 year old readers, more readers in top level occupations, more households with children, more new car buyers, home computer owners and more households with $50,000+ annual incomes than any daily newspaper combination in the market.

The upper crust of the Tampa Bay market reads The Tampa Tribune. Without it, your media strategy is only half-baked.

For a wealth of detailed market information, contact Joe Gess, Tampa Tribune General Advertising Manager, at (813) 272-7447, or contact your nearest Sawyer-Ferguson-Walker office.

THE TAMPA TRIBUNE
A Media General Newspaper
Member of the Gannett 4-Color Network

The Tampa Bay market consists of Hillsborough, Pasco, Hernando and Pinellas counties. Statistical sources: S&MM 1986 SURVEY OF BUYING POWER, Simmons-Scarborough National Newspaper Rating Study, 1985.

quarter of 1986.

Also, core costs of paper and people don't promise crippling new outlays. Last year, with supply outpacing demand and some Canadian mills — which produce almost 60% of U.S. newsprint — shortening shifts to counter surpluses, newsprint suppliers postponed the 6% increases publishers planned for. Publishers saved millions as prices have remained at the $535/metric ton price set in July 1984, with most transactions discounted by about 10%. This past June, Canada's Consolidated-Bathurst Inc. announced it will raise rates to $570/metric ton October 1; such other Canadian producers as Abitibi Price Inc. aren't far behind.

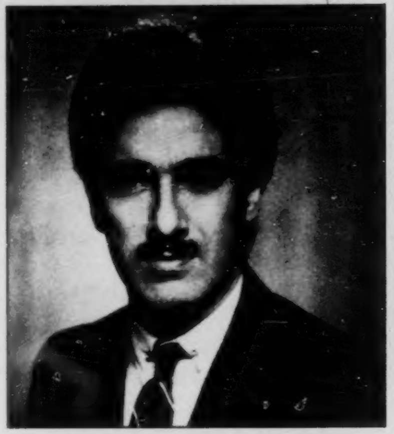
But the oversupply continues. Since Abitibi Price is still operating on a shortened mill run, some analysts expect the newsprint price increases to be held off until at least March 1, 1987. One reason, explains James L. Hutchison, vice president/paper group at the American Paper Institute, is that while the consumption by dailies has grown steadily over the last 18 months, "the substantial demand for newsprint for use in media other than newspapers has declined in the last six months." With the economy expected to grow between 2.5% and 3% and printing mills' capacity expected to remain constant, Hutchison predicts that demand will come closer to capacity next year.

Justifications for rate rises are the same old story. The cost of putting out and improving quality products, publishers argue, grows faster than the cost of living. Ferguson Rood, advertising sales director at the *Atlanta Journal & Constitution*, for one, contends that salaries and the cost of raw materials will continue to increase at a rate faster than the level of inflation. Industrywide, he estimates, salaries should increase 5% and materials costs should escalate 5%-6% against a 3% inflation rate. Peter M. Anderson, advertising director for the Gannett Westchester-Rockland Newspapers, also looks for salaries to rise 5%-6%, a figure slightly higher, he notes, than the projected national increase of 3%-4%.

"Newspapers are upgrading and expanding their news and editorial staffs across the board," Rood says. The im-

A CONVERSATION WITH JIM SPEROS

James D. Speros, corporate media manager for American Telephone & Telegraph, takes a tough approach to newspapers.



On budget pressures: What the media community tends to forget is that while it's nice to say our CPM's have gone down, very often our budgets have to go up to get that lower CPM; so in effect our out of pocket cost is greater. Budgets aren't growing as rapidly as they have in the past. So now we're more likely to cut back on markets or on the number of papers we buy in a market. It's getting easier with one paper dominating a market.

On group plans such as Gannett: The tack is interesting, but I'm not sure media is planned in the way they'd like to see it planned. You don't usually plan by looking for combinations but by looking vertically through the medium. Generally, you look at newspapers against one another within the markets where you're buying coverage, in an effort to maximize your coverage within a given market. So the fact that a media firm offers discounts by combining with other media isn't necessarily relevant at that point in the planning process. Crossing over to other media like that are things you tend to fall into rather than plan for.

On the rate differential: I think that's the real issue with newspapers. The kinds of increases we're seeing with newspapers are similar to what we'd expect from other media. But from a national advertiser's standpoint, newspapers are starting out from a distinct disadvantage. Any rate increase on top of the rate differential makes them less attractive.

On dollar volume discounts: That's what we've been hoping for, but whether it will happen remains to be seen. On one hand, newspapers say they want more national advertising, but on other, they've done very little to make us come in. So I don't expect to see much movement on the issue, especially since national advertising accounts for so little of their volume.

On the future of advertising: I think dollar volume discounts and developing positioning packages would mitigate some of the concern over pricing. If newspapers can indeed put into practice positioning arrangements, they'll see more money.

But I don't think newspapers are moving fast enough on this. There's much too much time spent in committees. I applaud the sentiment of getting things together, but there doesn't seem to be much commitment on part of publishers to uphold the suggestions that are being made. They're fine efforts and all, but it's sort of like trying to move an elephant with a stickpin.

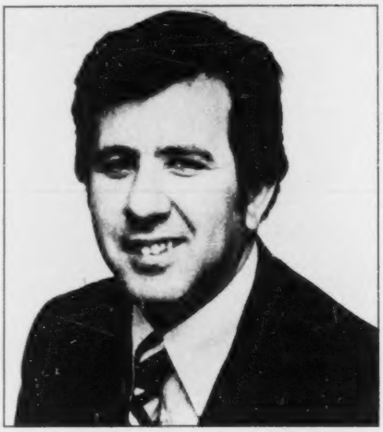
On other options: Newspapers are a mass coverage vehicle. I can build the same kind of base of efficient exposure with tv. If I feel newspaper costs are getting out of line, I can move comfortably into spot tv or spot radio, depending on nature of assignment.

It's true that when you get into more product-specific advertising where more detail is required, particularly in technical areas, it gets harder and harder to move away from newspapers. But I don't think any medium is indispensable. There are always alternatives. You can always make sacrifices.

plication: It takes money. Among other things, new reporters mean new editing terminals at a time when the industry is making a widespread commitment to expensive technology. But, Rood continues, "We're expanding our newsholes and trying to give readers more readable products with better organization. We're going to be charging you a little more, but we're going to be giving you a lot more."

Some planners don't see it that way. They know that, as rep firm Sawyer Ferguson Walker's president Roy Blackfield spells out, newspapers weigh five justifications for raising rates: increases in the cost of living, increases in operating costs, increases in salaries, pressures from competing papers, and increases in circulation. "If your circulation increases well," he notes, "you have justification to raise rates above the cost of living."

Planners agree. Cost pressures from materials they can understand; rate hikes unbacked by circulation increases and subscription and newsstand price jumps they cannot. Planners are quick to point out that other than the Gannett Co., which doubled its *USA Today* price to 50¢ within two years, newspapers have been reluctant to pass on costs to the consumer for fear of losing the circulation numbers that attract advertisers.



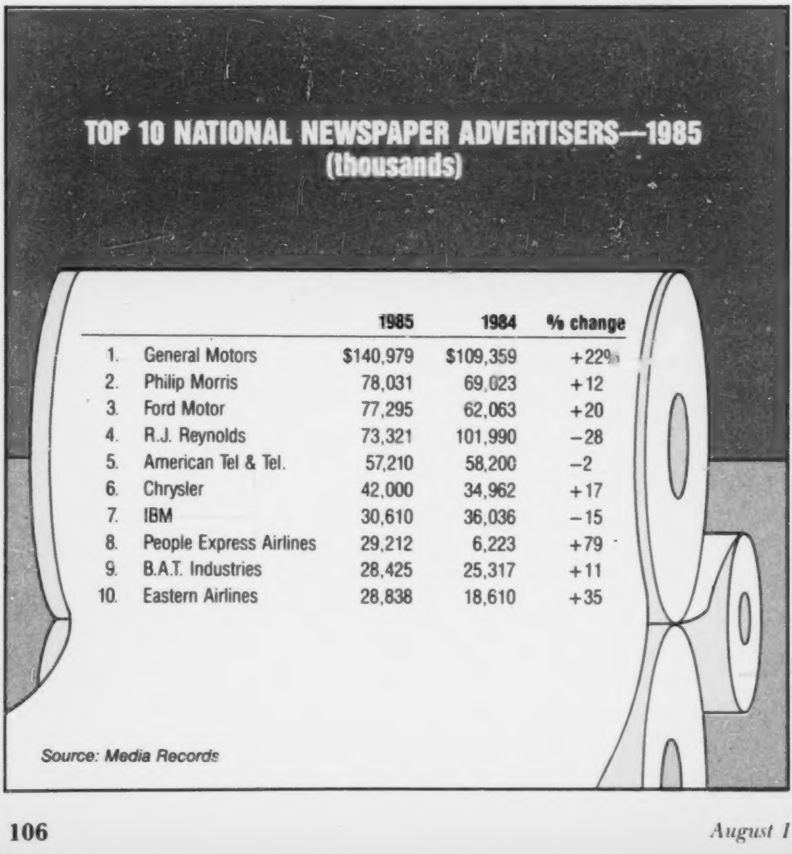
> "Newspapers can't raise costs without starting to pass them on to subscribers as well."
>
> ***Howard Nass***
> ***Senior vice president/media, Cunningham & Walsh Inc.***

"Some costs are beyond newspapers' control," concedes Howard Nass, senior vice president/media at Cunningham & Walsh Inc. "But newspapers can't continue to raise costs without passing them on to the subscriber as well. Newspapers should earn the right to charge more by improving their products and increasing their circulation. Then let them come to us when their costs are up and say they'll absorb some while asking the reader to absorb some and us to absorb some. Too often, just because it's a year later, they come to us with the same paper and circulation losses, put forth the increase and that's that. It's awfully tough to swallow."

Nass gets nothing but agreement from Jack Cohen, vice president and director of print and outdoor buying at Doyle Dane Bernbach Group. While braced for increases of 8% or 9%, he insists, "is it justified? — hell, no! We're not getting any more circulation for the money." Over the past five years, he points out, newspaper circulation on the whole has climbed 12% while rates have bounded 111%. First Boston Corp.'s Kevin Gruneich predicts only a 1% climb in newspaper circulation for 1987.

Some committed, veteran newspaper users appear resigned to routinized rate increases. Philip Morris' director of corporate media, James Thompson, is barely tweaked by newspaper demands. "What's the story?" he quizzes. "There's really nothing new about it. Media costs will go up; it's just a fact of life." And as First Boston Corp.'s Gruneich notes, the demise of two-paper battles has left one metro daily dominant in most major markets; that paper's near monopoly makes its cost hikes harder to challenge. "If you need the market and there's only one paper, you're stuck with it," affirms Bud Shields, newspaper buying supervisor at Campbell-Ewald Co.

Still, newspapers' routine rate rises are adding allure to other media whose own cost problems ought to be oppor-



TOP 10 NATIONAL NEWSPAPER ADVERTISERS—1985 (thousands)

		1985	1984	% change
1.	General Motors	$140,979	$109,359	+22%
2.	Philip Morris	78,031	69,023	+12
3.	Ford Motor	77,295	62,063	+20
4.	R.J. Reynolds	73,321	101,990	−28
5.	American Tel & Tel.	57,210	58,200	−2
6.	Chrysler	42,000	34,962	+17
7.	IBM	30,610	36,036	−15
8.	People Express Airlines	29,212	6,223	+79
9.	B.A.T. Industries	28,425	25,317	+11
10.	Eastern Airlines	28,838	18,610	+35

Source: Media Records

HAYES COHEN

tunities for newspapers. Shields contends that newspapers could pick up dollars as the ever more costly television medium continues to fractionalize and its true audience for programing and commercials gets harder to track. "But advertisers are looking for efficiencies," warns Doyle Dane Bernbach's Cohen. "If they aren't there in newspapers, they're looking more at other media."

The main beneficiaries? Planners agree that cost-conscious clients are eying direct mail, outdoor and magazines. That trend is established, they admit; but newspapers may have reached a dangerous threshold of rate rises. "It's getting to the point where the medium is pricing itself out," notes one media director who is preparing clients for 10% rate increases.

Cutting markets and frequencies is another way out. Agencies who lack newspaper specialists, notes Campbell-Ewald's Shields, have to pretty much take higher rates and work with them. For others, he notes, ad sizes may be trimmed, frequencies may be cut, or papers may be eliminated — an increasingly painful alternative given the proliferation of basically one-paper markets. Other clients, he expects, will put more of their market budgets into spot tv and spot radio.

Advertiser interest is also heightening in pre-printed inserts, a pseudo-competitor that newspapers helped spawn. According to the Newspaper Advertising Bureau, preprint volume has grown 39% since 1980. The expansion shows no signs of slowing. This year the Sunflower Group has made the first foray into mass preprint distribution in rural C and D counties. To ward off such competitors as direct-mail circulars and shoppers, newspapers have kept preprint rate increases significantly below their regular rate hikes. Publishers attest that they'll continue the trend this year.

"It's a paradox" to Tom Reddy, president of Newspaper Co-Op Advertising. "Newspapers would rather have ROP than inserts, so they raise their ROP rates higher than their insert rates." While preprints carry little cost to newspapers in return for high profit margins, they shrink newsholes by deflecting ROP ads. Some executives such as rep firm Cresmer, Woodward, O'Mara & Ormsbee Inc.'s president States B. Tompkins look for couponers to counter the clutter in preprints by resuming ROP schedules. But product exclusivity and high redemption rates — 50% higher than for ROP coupons, Reddy reports — are luring advertisers who can afford lead times as long as eight weeks.

By far the biggest stumbling block for national advertising is newspapers' time-honored practice of awarding their more-regular local advertisers radically lower rates and first choice on guaranteed positions. Agency and advertiser anger over the rate differential only heated earlier this year after the American Association of Advertising Agencies published its bi-annual rate differential study. Not only had the average differential jumped 4% to

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Source: 1985 Simmons-Scarborough Study

The Milwaukee Journal
Milwaukee Sentinel

64.6%, major metropolitan papers with over 250,000 circulation spread their differentials by 7.2%, to 94.4%, more than any other circulation category.

Strides by some papers offer advertisers only a glimmer of hope. Earlier this year in a test called Laboratory Witchita, the *Witchita Eagle-Beacon*, a Knight-Ridder paper, offered national advertisers local rates for the rest of the year on any full-page ad that ran six times. Advertiser response wasn't overwhelming. Other papers aren't itching to follow because of a lesson from the 1960's, when nearly 80 papers that maintained one rate saw advertisers put the savings into papers in other markets.

As a result, national retailers look to beat the higher rate by such tactics as assigning buying tasks to local outlets — much to the dismay of traditional newspaper rep firms, who suffer because their contracts call for commission only on business placed at national rates. Agencies and advertisers are also waiting for a move toward discounts based not on frequency but on dollar volume, which would reward national accounts for paying higher rates.

The industry's closest thing to dollar volume discounts is Gannett Co.'s multi-media package, whose sellers are more than willing to reward big spenders with added space. Now that the fast-expanding Gannett has added such major-market papers as the *Louisville Courier Journal & Times* and the *Des Moines Register*, agencies such as Campbell-Ewald (agency for General Motors) are finding the package more attractive and waiting for other newspaper chains to offer group buys.

"The future of newspapers has to be in groups," thinks Cunningham & Walsh's Nass. He expects groups to be more receptive to rate requests as well as to such creative ideas as unique positions. Inherent in their size are effiencies that come through in bulk purchases, and a wealth of marketing knowhow that can be transferred from market to market.

Like publishers, agencies and advertisers have their eyes turned toward the proceedings of the industry's Future of Advertising Committee. Headed by some of the sharpest, youngest and most self-critical executives in the industry, the 10 task forces have already started wheels rolling on standard national advertising positions, standard invoicing and pricing suggestions aimed at national advertisers, to name a few things.

But for media planners and newspapers' national reps, the hope sparked by such moves doesn't soothe the sting of this year's cost hikes. For now, reasons Campbell-Ewald's Bud Shields, "if we run an ad in a newspaper and it gets the people and moves the products, that's what counts." He sighs. "You just have to sort of take it."

Less resigned, newspaper supporter Jack Cohen sounds a sharp warning: "It's getting to the point where we may have to start considering newspapers as a last resort — to be used only when the crunch is really on and we have to hit the customer that morning." ■

THE GLOBE'S NOT HERE.

Boston
RHODE

One issue of our Providence Sunday Journal and Providence Journal Bulletin reaches more than 82% of all the adults in our market. The Boston Globe and the Herald deliver less than 8.5% each. So, if you want to talk to the people in Rhode Island and southeastern New England, you want to talk to us. Call Bill Peckham, Manager General Advertising at (401) 277-7172 for our continuing market study. And he'll give you the rest of our story.

Providence Journal-Bulletin

Represented Nationally By Cresmer, Woodward, O'Mara & Ormsbee.
Source: Providence Area Continuing Market Study – 1985.
Daily and Sunday combined net reach.

A Tale of Two Cities

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THE RACE GETS GOING

New strategies and creative options are helping the medium offset

by Les Luchter

The outdoor industry will be trying its best to breathe in some fresh air in 1987. For despite a 14.7% increase in business in 1985, to $1.2 billion in revenues, the industry is acutely aware that it faces a continuing loss of business from its two main ad categories — hard liquor and tobacco. An effort is now underway to hold price increases to a minimum as a lure to bring in new advertisers.

With energy and real estate costs softening in most areas of the country, many outdoor participants, including agencies, advertisers and operators, agree prices should not go up by more than 6% on average. This would follow hikes of approximately 8% for the last two years. "Outdoor is reflective of a lot of other media," says Bill Wilkins, president of the Institute of Outdoor Advertising, alluding to this year's expected lower price hikes.

The main challenge is how to replace those tobacco and liquor dollars. Combined, the tobacco and liquor classifications made up 40% of the outdoor industry's revenues in 1985, down from 52.4% in 1982. Even with hard liquor companies transferring ad spending into new wine cooler lines, notes Wilkins, outdoor still loses out since these new drinks can use the otherwise forbidden tv medium.

To build support for its medium on Madison Avenue, the 12-year-old IOA intends to begin a concerted marketing effort. As part of its plan to raise its profile, the group will separate from its parent/lobbyist organization, the Outdoor Advertising Association of America, as of the first of January.

On its own, the IOA intends to staff up and speak louder once it gets increased underwriting from its member companies. The association is counting on strong support from its two largest members, Patrick Media Group and Gannett Outdoor Group, which have both brought a new flavor of aggressiveness to outdoor selling. Gannett has set up a network of outdoor companies to facilitate ad buying and Patrick recently acquired the mammoth Foster & Kleiser from Metromedia.

Putting the best face on things, Patrick Group president Jerry Joyce comments that the cutback in tobacco and liquor advertising presents a great opportunity for other categories. "Some of the best space in the country," tied up for years by the big guys, is now becoming available, says Joyce. Indeed, the hope is that not only will new marketers start bidding for these locations, but rather than give up such highly prized space, Philip Morris and R.J. Reynolds may start " slipping in" ads for their General Foods and Nabisco divisions, respectively.

Their hopes are so far unfulfilled. Cathy Hodges, vice president of media and marketing at the IOA, reports no signs of increased business from any of the two companies' divisions.

While packaged goods spending is increasing, categories showing the heaviest increases in outdoor spending, according to the IOA, include healthcare, telecommunications, retail and the tv networks. But there's a good "potential for expansion" in packaged goods, says Wilkins. His optimism stems from the large outdoor campaign for NBC's *A.D.*, a Procter & Gamble Productions mini-series which not only started the heavy use of the medium by the networks but also "led us to P&G. We can [now] walk into packaged goods people with a more positive presentation," he explains.

The packaged goods involvement may also extend into co-op, another growing outdoor category. Wilkins notes that while packaged goods have always co-oped with newspapers, he has heard much talk recently that P&G will offer co-op dollars for outdoor.

To help new outdoor advertisers cope with the unfamiliar world of billboards, Gannett formed Outdoor Net-

FOR NEW BUSINESS

liquor and tobacco losses.

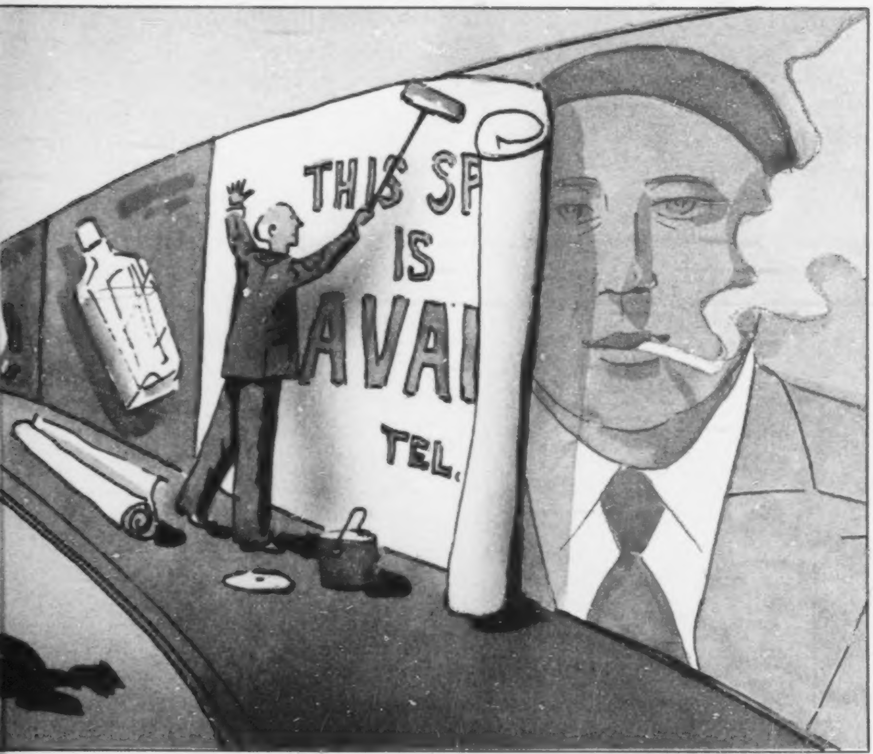


ILLUSTRATION BY ANDREA BARUFFI

work U.S.A. last September. It allows advertisers to deal with one source for placement with 34 member companies covering up to 300 markets (including 15 Gannett markets). Rates are still set by individual companies, but there's only one contract and invoice. All sites have guaranteed 18-hour illumination. Gannett promises advertisers independently generated proof-of-performance audits, and offers an option of having production included in the deal. Production costs are thus stretched out over the time the program runs, says marketing vice president Marc Kalan, and lead-time is only five weeks from receipt of artwork to posting. In the past, lead time has stretched to mean several months. Nestle's Taster's Choice, Chiquita bananas and Goodyear truck tires have already used production-included rates, he reveals.

Since February of this year, when the network really picked up steam, sales have been about $2 million a month, says Kalan. "We anticipate $20 million in sales by the end of 1986." Deals have been made for about 15-member companies covering about 74 markets, he adds. Kalan believes an all-out effort can turn outdoor from a "sliver to a slice" of the ad pie within a year or two, or from 1.2% of total revenues to over 2%.

Rates for Gannett's own plants will probably go up on the lower side of 6%-8% this year, says Don Davidson, Gannett Outdoor president. "And it will vary from market to market."

Davidson blames lease costs for most of the rate jumps — "There are huge increases far beyond inflation" — and adds that insurance costs seem to be harming outdoor more than other media. Lease rates have risen 28% since 1984, he notes, while insurance costs for workers and the boards themselves have soared 88%.

Meanwhile, the Patrick Group may be moving out-of-step with its industry brethren. It hasn't yet said what its rates will be for 1987, but allows that it thinks industry-wide, increases will be in the 9% to 9.5% range, a calculation much higher than others'. What's to blame for this price inflation? Higher "occupancy" rates, says Larry Cognetti, marketing vice president of the Patrick Group. This is caused by an increase in local and regional advertisers and by new users who like outdoor's "low CPM," he says.

But even the IOA's Wilkins doesn't agree with this assessment. He likens the outdoor situation to a hotel: "When it's close to full, you're able to do a lot more with rates." But, he adds, "that does not exist today. If we were to maintain a level of occupancy, our increases would have stayed in the 8%-9% area [of a few years back]."

Agencies and advertisers are unanimous in their belief that increases above a minimum level are not justified this year. Lease and labor costs are probably the two biggest factors affecting outdoor prices, says Dan Pearson, director of media for R.J. Reynolds, outdoor's biggest advertiser, but he's unsure if that pressure will start to influence costs to advertisers. "Lease costs may be the sticking point," he concedes, noting that as more competitive outdoor companies have emerged, and they have begun competing for the same spaces, "there's been a lot of upward pressure." Nevertheless, he thinks that because of other industry conditions and trends, prices should rise 5% or less in 1987, slightly less than in 1986.

Bernie Stolbof, vice president of House of Seagram, the distiller's media arm, says outdoor increased 6.5%-7% in 1986, and he's heard estimates of 5%-7% for next year. Outdoor has kept its rate hikes lower than other media, Stolbof explains, because of "vulnerability" caused by the cutbacks in liquor and tobacco dollars.

Bob Nyland, president of Outdoor Services, a buying group, says 1987 outdoor price increases should not be over the 1986 rate, which he placed at 5%-6%. The two biggest factors affecting rates, he feels, are labor costs and "landlords who want to get a percentage of revenues from a location as opposed to taking a fixed lease."

Real estate costs, including taxes, are at the root of outdoor's rate hikes, echoes Jack Cohen, vice president and director of print/outdoor media buying at Doyle Dane Bernbach. He feels prices will rise 6%-8% compared with 7% this past year. "They pay more for leasing boards," says Cohen, "and it will be passed on to the advertiser."

Both Cohen and Gordon Asch, president of Asch Advertising, an outdoor buying service, point to a trend toward using other out-of-home media besides traditional 30-sheet posters and painted signs. Such media as transit and bus shelters are appealing, Asch says, "because everyone's becoming more interested in having less waste dollars and waste circulation. These media have that capability."

Indeed, Connie Barry, president of both the Shelter Advertising Association and Transtop Minnesota, expects her company's rates to be up only 2% in 1987. This compares to a 4% increase this past year. The shelter industry average this year was 5%, she says. Unlike other out-of-home media, Barry notes, "liquor and tobacco never were a great percentage in shelter."

John Boisclair, executive director of

A CONVERSATION WITH PETER RIORDAN

Peter Riordan is vice president of BBDO, New York, and manager of its out-of-home media group.

On rate increases: Standard outdoor will again go up faster than the Consumer Price Index — less than 6% on the rate card, compared with 6%-7% last year. But actual rates may have been considerably less because of the desertion of the tobacco category, particularly in larger competitive markets. Recently there's been a lot of negotiability. Tobacco companies had so much money to spend that they were less interested in cutting rate deals than in getting the best positions.

On factors behind increases: Real estate seems to be going up nicely. And there's a lot of turnover in plant ownership. Just the financing costs alone are going to be contributing to the costs of billboards. In transit, there has been constant competition for franchises. We presume there are inflators in them, and a lot of them were signed in the double-digit era.

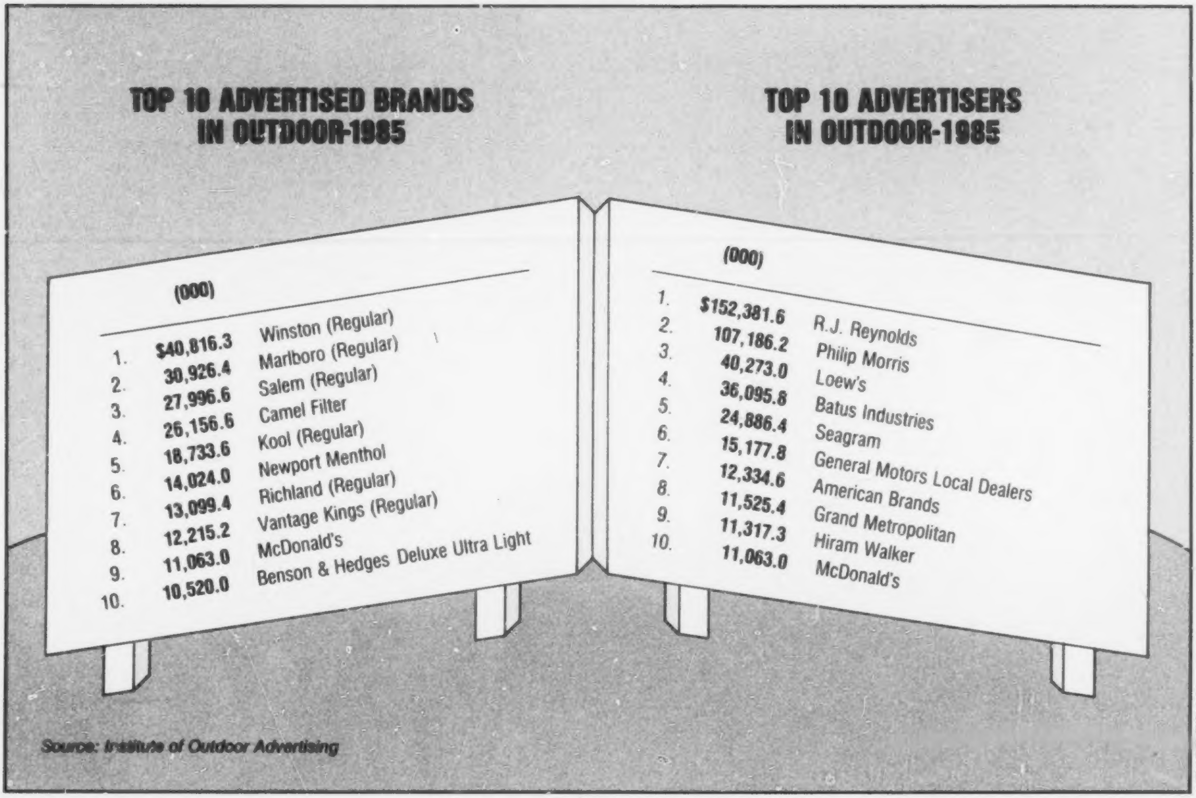
On technical trends: None of the bright ideas make anything cheaper. The basic board is the simplest and easiest to execute. But you can now get signage cheaper with printed bulletins in place of painted ones, allowing advertisers to buy for shorter terms — two months rather than four to 12 months. They'll buy a few big units instead of a lot of little ones. The new things in outdoor are primarily in the ownership area. Signs themselves don't change much. It's getting more national business and increasing its grip on the ethnic category. Most ethnic-oriented agencies think of two media first — radio and eight-sheet. They're signs that keep the message inside the neighborhood.

On bus shelters: In New York, the franchise until very recently was static at about 500 shelters, and no action was going on other than prices rose rapidly and consistently. Now, new shelters are being built, but not being sold. The only people paying to build and operate shelters are advertisers, but cities will not necessarily put shelters where the target groups are. You don't want to advertise in Coney Island or Fort Apache, but the city wants to make sure all the voters get their shelters.

On specialized boards: It's almost impossible at certain times of the year to get any positions on the New York commuter rail lines and at major airports. You're a lot more likely to pay rate card for these guys.

On ad sales softness: Too much will lead to a shrinkage of inventory and bring unit pricing up again. And we don't like to have less to work with. There will always be enough magazines and radio stations, but outdoor structures take time to build and get permits on.

On shopping mall directory ads: It's a terrific franchise in just the right place, and unit costs are cheap. I'd love to steer some of our advertisers there.



TOP 10 ADVERTISED BRANDS IN OUTDOOR-1985

	(000)	
1.	$40,816.3	Winston (Regular)
2.	30,926.4	Marlboro (Regular)
3.	27,996.6	Salem (Regular)
4.	26,156.6	Camel Filter
5.	18,733.6	Kool (Regular)
6.	14,024.0	Newport Menthol
7.	13,099.4	Richland (Regular)
8.	12,215.2	Vantage Kings (Regular)
9.	11,063.0	McDonald's
10.	10,520.0	Benson & Hedges Deluxe Ultra Light

TOP 10 ADVERTISERS IN OUTDOOR-1985

	(000)	
1.	$152,381.6	R.J. Reynolds
2.	107,186.2	Philip Morris
3.	40,273.0	Loew's
4.	36,095.8	Batus Industries
5.	24,886.4	Seagram
6.	15,177.8	General Motors Local Dealers
7.	12,334.6	American Brands
8.	11,525.4	Grand Metropolitan
9.	11,317.3	Hiram Walker
10.	11,063.0	McDonald's

Source: Institute of Outdoor Advertising

HAYES COHEN

the Transit Advertising Association, expects an average rate increase of 8% in 1987, which he terms comparable to recent years. But he stresses that increases can vary widely from market to market. "In Tulsa, where the transit business is relatively weak, you can't go out and ask for a 20% rate increase. But in Manhattan and Washington, D.C., which are in a sold-out capacity, you can maximize the increase." While liquor sales in transit are down, Boisclair says tobacco is not. "But the industry realizes it's not healthy to be dependent on one industry."

Ronald Wagner, executive director of the Eight Sheet Outdoor Advertising Association, expects 1987 rate increases of 4.5%-6.5%, compared with 8% increases in past years. As Wagner explains it, real estate costs have stabilized at 10% annually, there are no lighting costs to contend with and construction costs are much lower than for 30-sheets. The eight-sheet business is booming, he says, with sales up 60% in the first quarter. "We lost Kool [cigarettes, a Brown & Williamson brand], but that's just about the only national advertiser that gave up."

As the alternative out-of-home media gain respect and business, they're following traditional outdoor into new creative approaches and advertiser categories. Bob Nyland notes that several companies are now starting to use backlit eight-sheets, and Dan Pearson says RJR is starting to use backlit transit six-sheets. And Wagner says his "heavily tobacco and liquor-oriented" eight-sheet medium is seeing a lot more food advertising and even tests for such products as Procter & Gamble's Luvs diapers.

One promising industry development that could cut costs and turnaround time is the emergence of computer painting. This will give short-run advertisers who want to buy bulletins an alternative to the high cost of printing poster paper or having a paint crew do the work on-site or in a shop. Larger outdoor users might still find it more convenient to print large quantities of paper at reduced rates, but IOA's Wilkins notes they may be willing to pay more for the quality control of the computer process.

Another trend to note is the buy-up of many outdoor companies. Other media, such as radio, have always been a large user of all the out-of-home media, and several publishing and electronic media companies — such as Heritage Communications and Morris Communications — have now started to buy outdoor companies. But a different kind of inter-media synergy which can actually make advertising more cost-efficient is also underway — the use of out-of-home media in other ads. Piedmont Airlines, for instance, showed an exterior bus sign in a recent newspaper ad, and billboards have popped up in tv spots for Honda, Coke, Coppertone and Budweiser.

Anything that reduces costs will be fine with Seagram's Stolbof. "While I consider outdoor rates fair in terms of what other media are asking," he says, "I still consider the increases all media are asking are too much, based on the costs of doing business vis-à-vis demand. The distilled liquor industry is under a lot of pressure now," Stolbof notes, giving increased taxes as an example. "Why should they [media] ask for as much as they do when the CPI is substantially lower than the quoted increases?" ■

COMPETITION COOLS A FRANTIC PACE

The yellow pages industry adjusts to new business realities.

by Carl Weinschenk

The breakup of the monolithic Bell telephone empire into seven regional entities more than two years ago unleashed a struggle for the directory spoils worthy of a millionaire's contested will.

One side effect of the bitter fight is the catapulting of the yellow pages business into 20th century media reality, and a part of this new awareness is a slowing of rate increases as competition heats up and price becomes a weapon.

"Rate increases seem to be not as gigantic as they were in the past. I think this is due to the competition that is coming into the marketplace," says Bob Lamb, the vice president of marketing for Telephone Marketing Programs, an international firm that broke the $100 million billing mark during the year. "We noticed from all the advertising we placed in 1985 that the rate increase was just a little more than 8%." That figure represents the consensus on just where rate increases settled out in 1986, and it represents what can be expected for 1987.

The ad revenue produced by yellow pages will continue to grow, due also in part to increased awareness among national advertisers of the importance of a presence in local books. Revenues for 1986 are expected to reach $825 million, up 18.7% from last year's $695 million. Fred E. Smykla, executive director of the National Yellow Pages Service Association (NYPSA), beams that 1987 revenues may break

ILLUSTRATION BY ANDREA BARUFFI

the billion dollar barrier and top out at about $1.07 billion.

In the current ad environment, 8% + increases seem beyond moderation, but the past has seen rates in this medium take much bigger steps. Smykla reports the industry posted annual rate hikes of 14% as recently as the beginning of the decade.

Bill Frank, president of The National Yellow Pages Agency Association, is basking in this moderate climate. "I think there is a trend toward more price stability and less-radical increases. Hopefully, that will continue."

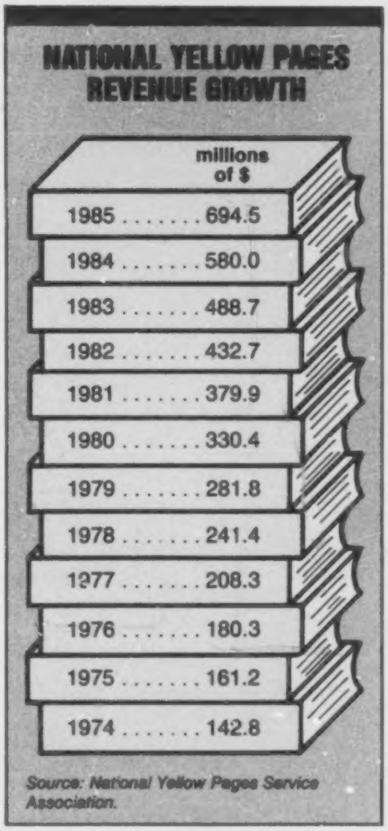
Another insider who sees price moderation is Eldon Marwede, the yellow pages manager for Campbell-Ewald in Detroit and a member of the board of directors of the National Yellow Pages Directory Association and a host of other industry councils and organizations. "In 1986 we had figured that the rate increase would probably be between 8% and 12%," he says. "They seem to be coming in at about 10%, heading closer to 8% than to 12%."

Perhaps the definitive word on pricing is offered by Smykla, who bases his observations on a sampling of 600 of the 6,359 directories that belong to his organization. "In the last five years the rates have gone down to about 8.7% [increases]. That's the differential we saw, one year over the other. There could be some pockets," he says. "But on average it comes out to that."

On other fronts, the turbulent world of yellow pages advertising is likely to continue to heat up before it settles down. The main reasons are the intercene attacks by one Bell stepchild on the territory nominally controlled by another. Along with this comes a call from national advertisers and their agencies — who account for only 10% to 15% of yellow pages ads but represent a huge potential source of revenue — for more detailed demographic and usage data and standardization of heretofore haphazard mechanical specifications. All three factors will undoubtedly exert their own varying degree of influence over the cost structure during the next several years.

There have always existed alternatives to the Bell directories. Only recently, however, have the competitors been direct or indirect Bell offspring capable of offering a more coherent picture of the medium to media people and their national clients.

The most celebrated foray into another company's turf was Southwestern Bell's Manhattan move. The field trip was obviously a big-bucks decision and one not taken lightly. Don Fisher, Southwestern's staff manager for public relations, said two things led to a Broadway production. "First off, we identified a consumer/advertiser need that was not being met. That's the key. We are not going to produce a book for the sake of producing a book. The second reason is that we can do so successfully and profitably."



Source: National Yellow Pages Service Association.

Maryann Sapos, a senior vice president and general manager of the directory division of Hutchins/Young & Rubicam in Rochester, New York, feels the move by Southwestern may have been on the mark. "Last year at this time, when we were speaking about the secondary and tertiary books in a market, they weren't really filling a need," she said. "They were simply there to make money. It was duplicate coverage or sort of duplicate coverage. The Southwestern Bell books could conceivably fill a very real need."

The major difference between the Nynex and Southwestern entries is that the latter offers both consumer and business-to-business sections in one book. The movement of so many books outside of the parent utility's area, however, is based on more than packaging changes. It is indicative of a widespread belief that money can be made by offering advertisers and consumers a choice.

The other message that came through in 1985 and the first months of 1986 is one that will have an immediate effect on pricing. It is apparent that the new non-utility books are often better capitalized than their predecessors, either because they are direct products of out-of-area Bell companies or are published by concerns the out-of-towners are picking up and funding. This, according to Lamb, can affect the quality of the book and its chances for success by positively affecting its distribution, sales effort, marketing input and advertising budgets. "Traditionally," he observes, "independent directories have done very little advertising, basically because they didn't have the capital to spend. Now, with a big Bell regional company behind them, that could change dramatically." If the advertising yellow pages publishers do is an accurate barometer of the level of the major market struggles, one need only turn on a television set in New York City to see a slew of clever — and not inexpensive — advertisements.

The non-utility books are establishing a toehold by cutting rates. Edward W. Lederer, the vice president of marketing and sales planning for Donnelley Directory, indicated new entries are wont to knock off anywhere up to 80% from the incumbent's price.

The new-found competition has lowered prices but added the burden of choice to the lives of people who work for advertisers and agencies. Notes Frank, "I think it leads to price stabilization, but it also complicates other situations. How do you recommend to a client which directory to go into?

That is not so easy, particularly if you have a first-year directory in a given marketplace. Logic dictates that, number one, you continue with the established directory and, if anything, go with a minimal form of advertising in the new directory and try to establish some way of tracking results."

Sapos agrees that the days of easily discounting secondary buys have faded like an overseas dial tone. "What you are going to end up doing is making one of a few choices: Taking all your advertising and making your spending exactly the same as in your current buy, or switch it to the new book — which I don't recommend — or you could put smaller units in both books and hedge your bets. Or you could spend a little more money."

In an atmosphere where suddenly a tremendous amount of money rests on decisions that are no longer automatic, a move is underway to improve the measures of usage currently in the hands of decision-makers. "Right now," explains Marwede, "there is mounting pressure for the directories to produce a syndicated, third-party research measurement of competing directories on the market, both utility and independent." He adds that the studies must measure effectiveness, reach and usage. "This impartial, comparative measurement of competing directories is something that is going to have to happen, and the sooner it is accomplished, the better," he concludes.

The call for better information is almost universal within the agencies and industry associations. "I think," predicts Sapos, "that you are going to see a lot better marketing information, usage information and research being done to sell their books. And that is something that has been lacking in this medium for a very long time." She indicated that Pacific Tell is already reacting to the higher level competition with improved demographics. The cry for better research has been mostly going in one receiver and out the other, however. "[They are] things that agencies have been asking for for a thousand years and can't get," says Sapos. "You get a lot of 'Yeah, we know we better do it' and 'Yeah, we have a committee assigned to it' and that kind of

> “In the last five years, the rate increases have gone down to about 8.7%.”
>
> ***Fred E. Smykla***
> ***Executive director,***
> ***NYPSA***

A CONVERSATION WITH MARYANN SAPOS

Maryann Sapos is the general manager of the directory division and a vice president of Hutchins/Young & Rubicam in Rochester, New York.

On the last year: I guess the biggest change is that a utility has entered markets beyond their own . . . and is coming out with a directory that would be very viable in the market.

On Southwestern Bell's Manhattan move: What they are doing is offering what is a more attractive buy to an advertiser in that you can buy one book rather than two. They have a reputation and money behind them. The possibility of it doing well is very real and not to be discounted.

On improved research: I think that is one of the benefits that is going to come out of the whole thing . . . You are probably going to see an effect on price. I think the other thing you will see is a lot better marketing information, usage information and research being done to sell their books. That has been lacking in this medium for a very long time.

On the specialty books like the Silver Pages: Their viability is still up for grabs as far as we are concerned. They have not been the big smash wahoo hit they were predicted to be. I think they've yet to really prove themselves.

On the choices: In many cases you'll have headings duplicated in the consumer book and the business book. An advertiser will say, "Oh, I've got to be in both." That's been a problem. I don't think you are going to see that go away real fast.

On newcomers: The first or second year that they're vying against the utility, they could cause a great deal of confusion in the field. Now you'll have the agency or local advertiser looking at it and saying, "Here's this potentially viable book." You really can't not be in it.

thing. I do think you'll see [improvements]. Pacific Tell was a real leader. They took a proactive role there and they did a terrific job."

Standardization is another issue no longer on hold. The Association of National Advertisers and the American Association of Advertising Agencies have started to deal with the problem. The two organizations are scheduled to meet with NYPSA at the end of July to discuss their jointly prepared position paper. The paper, describes Smykla, is split "into three general areas. One is the standardization of units and ad sizes, very much akin to what the newspaper industry did several years ago. The second is on the distribution and auditing, again very similar to newspapers. The third is to provide surveyed information about telephone directory usage in general."

Beverly Plyer, the staff executive in the media relations division of the AAAA, has been involved with national standardization drives before. "What we are asking for is generalization. This is something we worked on with the newspaper industry and we certainly think it is critical for the telephone directory medium," she says. "That is what our concern is, that we can send an ad in and know it will be reproduced the way it is sent."

Marwede explains that such standardization is also a pricing issue. "There are over 6,000 directories. Right now if somebody is using national display advertising or trademark advertising, there is the cost of producing five different size ads for five different size directories. We are working on publishers and I think they are starting to realize that if they are to go after more national monies — and I think they want to — they are going to have to make it easier for national advertisers to use their medium."

Standardization will require retooling in some cases, according to Smykla. Though industry unification of mechanical requirements is often compared to a similar drive in the newspaper industry, two distinctions exist. The first is that newspapers do their own printing while, for the most part, directories use independent printers. This, of course, would complicate the implementation of new specifications. The other difference is that newspapers are not usually in direct competition. Comments Lederer: "In an environment that's exploding competitively, I think that [standardization] is totally contradictory to differentiation. I don't think they have much of a chance for standardization because everybody is going to be coming out with something to differentiate their product, not make it the same."

The drive by NYPSA, the ANA and the AAAA to promote national standards on specifications — Smykla says even the nomenclature is inconsistent — and the desire for more demographics is symptomatic of a desire to attract more national advertising. Sapos, among others, feels national advertising is a coming thing. "The yellow pages is becoming like the other media, where you have more than one viable source in a market and there is true competition for the utility books . . . [now the agency can say] 'Okay, my client spends X number of dollars in all your books. What can you do for us?' That was unheard of in this industry, but we are starting to look into it for our clients because you do it with every other media," she said. "You've never really been able to do it with the yellow pages because it was essentially a monopoly. It's no longer that way."

The world of yellow pages advertising is changing and will continue to change throughout, probably, the remainder of the decade and beyond. The rude awakening caused by the legal decisions of several years ago has forever changed the direction of a book that, like the Bible, is represented in some form in virtually every home in the country.

"The top-line sales orientation of yesteryear is being replaced by corporate demand for visible profits. I think this is good for both the medium and the advertisers," says Marwede. "The yellow pages industry used to put you to sleep compared to what it is now. It has never been so alive. It is a new ballgame." ■

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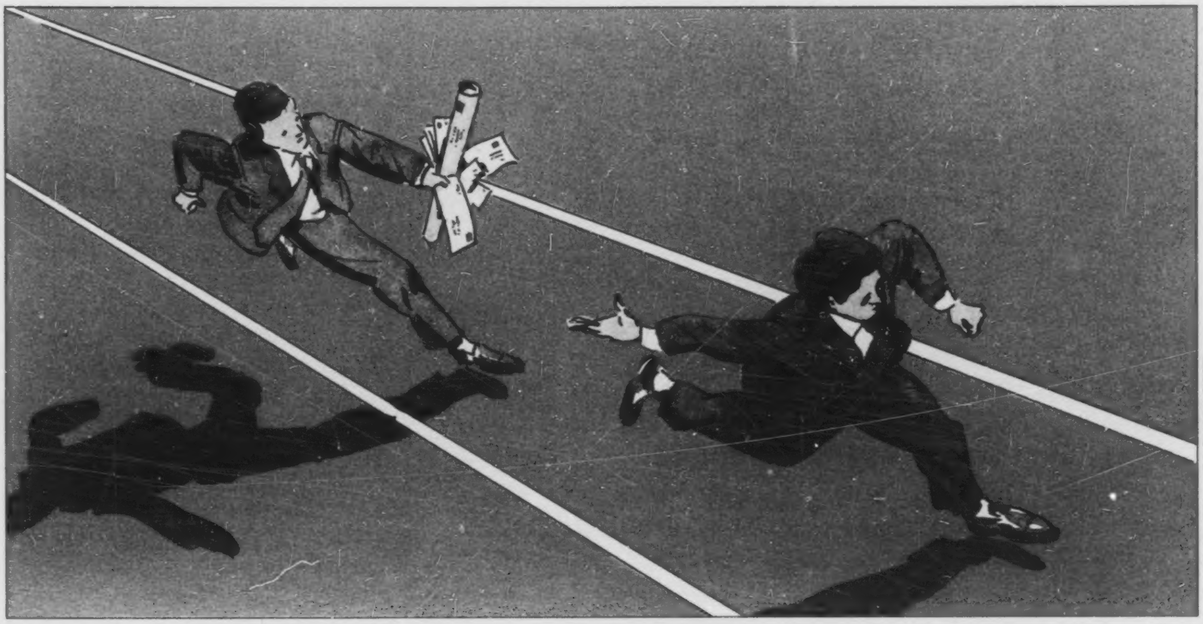


ILLUSTRATION BY ANDREA BARUFFI

IT LOOKS LIKE MORE OF THE SAME

by Jerrold Ballinger

With postage and paper under control, only inflation is expected to affect this year's costs.

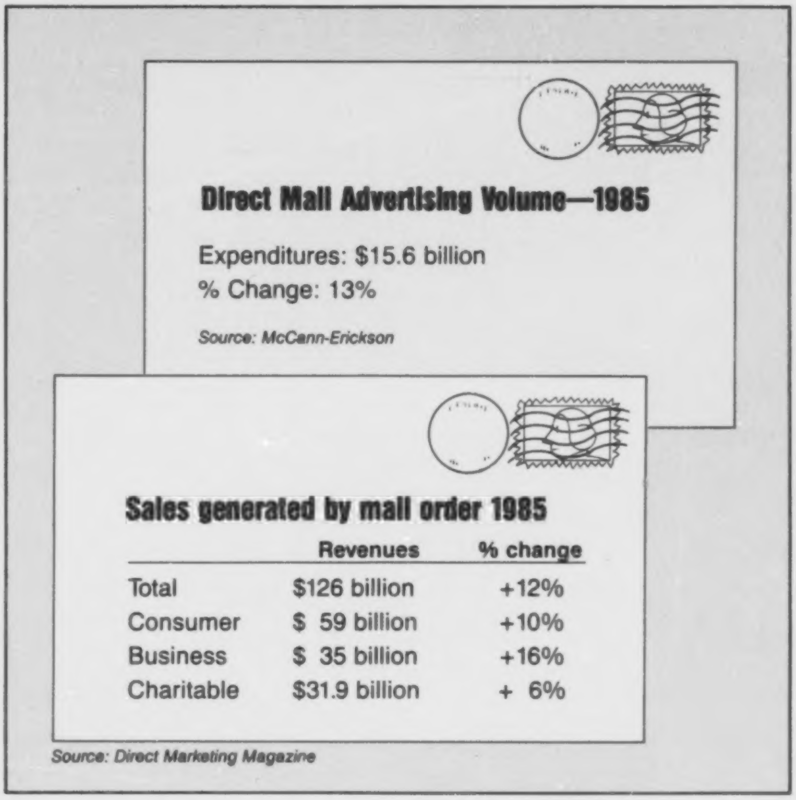
After contending with the hefty jump in postal rates of 1985 — up some 13% for third-class mail — and other cost hikes such as paper, direct marketers incorporated these factors into their 1986 budgets and settled into a year of cost stability. Another quiet year is predicted on all fronts for 1987.

The only increases generally seen are in line with the anticipated general inflation rate of 3% to 4%.

Little seems to have slowed the trend to direct marketing. Predictions made by some that mail volume would decrease this year because of the high costs proved to be unfounded. Mail volume for the first two quarters of the United States Postal Service's fiscal year, which ran through March, reveal a 16.8% boost in direct mail pieces over the same period the year before.

Indeed, this year's *Mediatrends*, published by Doyle Dane Bernbach/New York, reported that, in 1985, for the first time, direct mail became the leading medium employed by national advertisers. The report pegged direct marketing's growth at 13% for the year, accounting for 29.2% of all ad expenditures by national marketers. Another 10.7% jump is expected for 1986. Television had a 26.6% share, according to the report.

Sy Okner, president of Montgomery Ward's multi-million-piece mailer, Signature Insurance Group, notes that greater use of postal bulk rates and presort discounts have helped to compensate for postal increases. "Mail volume is up, but we are mailing more often to a smaller number of targeted pros-



Direct Mail Advertising Volume—1985

Expenditures: $15.6 billion
% Change: 13%

Source: McCann-Erickson

Sales generated by mail order 1985

	Revenues	% change
Total	$126 billion	+12%
Consumer	$ 59 billion	+10%
Business	$ 35 billion	+16%
Charitable	$31.9 billion	+ 6%

Source: Direct Marketing Magazine

pects," he says.

No postal rate increases are in the offing for 1987, according to Gene A. Del Polito, executive director of the Third Class Mail Association. At the end of the fiscal year in September, it is anticipated that the Postal Service will have a surplus of $800 million and another $500 million at the end of the 1987 fiscal year, which would eliminate any rate increases.

Printing prices have been low, paper has been stable and so have list rentals. The same stability is expected for 1987.

No significant changes are anticipated for other direct marketing instruments — broadcasting, print, co-op packages or telemarketing.

"I don't see any signs of stalling in the use of direct mail," maintains Robert J. Coen, senior vice president at McCann-Erickson Worldwide, New York, who thinks advertisers will allocate 10% more of their advertising budget dollars to the medium this year over last year. "Paper and mechanicals have been in line with inflation, but," he notes, "some mailers have been reducing the weight of their packages, resulting in the average per-unit cost showing a 1% to 2% rise." Coen believes production costs will move up slightly "because economies already have been squeezed out." Therefore, he predicts a 2% to 4% rise in unit costs for 1987.

Also helping the direct mail cause, say some, is the drop off in magazine advertising. According to this theory, the slowdown will help keep printing and paper costs for catalogs and other direct mail promotions low. As demand decreases in one medium, cost pressures in others should also cool.

The dip in magazine business has led to greater competition for direct marketing work, contends John Van Horn, vice president, at the Alden Press, in Chicago. Alden is a printing firm specializing in catalogs and direct mail pieces. "Don't count on these prices for 1987 because the low 1986 prices are unrealistically low," he warns. However, he does not predict any major increases for next year — "at least for the first half, when the competitive situation should remain as it is now."

Van Horn also points to the soft paper market — "excess capacity in the mills" — as a reason for the low printing prices.

The American Paper Institute reports that new multi-million dollar machines will be going on-line in 1987. This should not only make the mills more efficient, but also keep costs down. "There is significant concern about the new capacity and it probably will not allow for price increases," states Norman Weiner, vice president, of Walker Weiner Associates, in Briarcliff Manor, N.Y. The company engages in market research, specializing in paper, printing and media markets. "Offshore imported papers should maintain most of their newly-gained market positions over the near term," he adds. The widespread use of imported paper has acted as an effective lever on cost rises by domestic mills over the past year.

Not to be overlooked either is the progress being made in streamlining backroom operations. Suti Prakash, senior vice president of The Direct Marketing Group, New York, points out that technical improvements in letter shop operations are keeping prices down. "Addressing, stuffing and sorting, tying and bagging mail for postal optimization and regulations can now be done in one place," he explains.

Furthermore, list prices stabilized this year after increases in 1984 and 1985, according to Ralph Stevens, president of the large list management firm, Woodruff-Stevens & Associates, Inc., New York. "While prices never seem to go down, I see no pressure for any increases in 1987. Prices for selects average about 10% more, but a good selection will result in fewer pieces and a better response." Generally, low-priced lists are going for about $45 per thousand, while the high-end hovers around $80 to $125+ per thousand.

Nevertheless, well-known cataloger Harold Schwartz, president and chief executive officer of the Salem, Va., mail order catalog fulfillment center, Stuart McGuire Co., Inc., sees catalogers hedging their bets. More and more, he sees catalogers entering retailing and making use of home shopping programs on cable television.

Catalog consultant Susan Edmondson, president of Presentation, Inc., in Greenwich, Conn., warns that traditional catalog rates for services are being threatened by general advertisers entering the direct response business. "General advertisers are accustomed to paying much higher prices," she notes. "It's really a matter of education."

Radio is not often used for direct response advertising and television costs are difficult to generalize, observes Susan Pensabene, vice president for broadcasting, Grey Direct, New York. "In most cases, they are negotiable and vary from station to station. There are no rate cards for direct response television. It is heavily discounted, but is preemptible for spots paying full amounts." Better rates are obtained by buying in bulk and then distributing it to clients, says Pensabene. "We buy by markets, not by clients," she explains.

And as the price of sales calls soar to well over $200 an hour, telemarketing is finding increased favor. Fred Tregaskis, president, CCI Telemarketing, Inc., New York, states that outbound costs are softening, but inbound rates have not shown much change. Campaigns using long-distance calls are lower because of the dip in telephone rates, but locally, costs are higher, he says. "The entry of so many new telemarketing firms into the market also has affected pricing," states Tregaskis, who expects charges to level off in 1987. More telemarketing firms are bidding on a commission basis, he adds.

Co-op packages showed no increase in costs this year and none are anticipated for 1987, declares Michael Cox, vice president, Donnelley Marketing Services, Stamford, Conn., which produces the Carol Wright package. "This is a very competitive market," he points out. As an example, he notes that General Mills is considering creating its own co-op package for 1987.

Advertising agencies across the

A CONVERSATION WITH CHARLES MOZUR

Charles Mozur is executive vice president and general manager of Ketchum Direct, New York.

On the effect of direct mail costs: The huge increase in postal rates and other high costs incurred in 1985 had no effect on the mail volume of our clients this year. Volume was up and I expect it will continue to be so next year. Our clients merely figured in the added costs when determining their 1986 budgets. No additional costs beyond inflation are anticipated for next year.

On the evaluation of direct mail: Direct marketing clients are driven by results — not by costs. Revenue contribution is the measure and not expenditures and these can be traced within a four-month period by the responses. Mail has been paying off.

On changes in usage: Our accounts are looking for more sources outside their usual customer base. The sure things are already locked up. We are experimenting, but because our clients are so cost-conscious, we are doing more research before testing to find appropriate prospects and produce less failures.

On print: We have been testing in regional publications and in sectional runs before going national. Generally, print advertising has been down, but it depends on the type of product. Direct response print ads have held up in collectibles, catalogs and continuity products, such as most book and record clubs. I believe they are down for packaged goods.

Free-standing inserts in newspapers are up in use and cost varies from market to market. The use of remnant ads are not tracked as far as I know, but it seems to be up. Discounts are available, of course, but there is no common thread. They are all over the lot.

On broadcasting: I am disposed toward cable television. While this is not a measured audience with absolute numbers, cable has its pockets of gold. Per-inquiry time is available and with better quality productions and with a willingness to pay a little more, there is more selective time available.

On telemarketing: Telemarketing is booming. Our use of the medium has gone up substantially. In the main, we use it as a follow-up for direct mail and to qualify leads. Overall, we find the costs about the same this year and don't see much change in 1987. Charges are tied to the amount of time for each call. In business-to-business lead generation, the appropriate party may take longer to find, the caller must be better-trained and the message probably will be longer. It should be mentioned that clients don't usually look upon telemarketing as a commissionable item. It is like purchasing any outside service. But it is a part of the program we sell to the client.

> “Addressing, stuffing and sorting, tying and bagging can now be done in one place.”
>
> *Suti Prakash*
> *Senior vice president,*
> *The Direct Marketing Group*

country give similar reports on 1986 conditions and expectations for the coming year. However, Murray Bowes, senior vice president, Krupp/Taylor, Los Angeles, does enter a note of warning. “Costs appear constant, but I am cautious about the economy and the inflation rate.”

Philip May, executive vice president and general manager, Cramer-Krasselt/Direct, Chicago, predicts stability in all costs, “though in television, you are always dealing with the vagaries of spot rates.” Mail volume will not drop in 1987, he claims, “but segmentation is getting smarter.”

The vice president of S.E. Nelson Advertising, Inc., Minneapolis, Peter D. Reese, suggests, “You can always work around postal rates, but the best way is not by using lighter-weight paper. Heft says quality.” Reese recommends using either smaller inserts or cutting down the pieces in the direct mail package. ■

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BRAND REPORT

NO. 135: COURIER SERVICES

HIGH FLIERS

by Carol Hall

About 100 years after the startup of the Pony Express, Federal Express made its first run. The Pony Express was reined in after just one year, put out of business by technological advances. But the express courier service industry, spawned by Federal in 1973 and now populated by dozens of companies, large and small, has been growing at a gallop for 13 years. That growth has started to slow somewhat and some industry players have experienced hard times. But most agree that as long as it bends to meet the changing needs of its market, the industry's growth prospects are strong.

According to the Air Transport Association, the express courier service industry — those overnight or next day shippers and deliverers of packages weighing up to 150 pounds — handled 192,304,000 parcels in 1985. That figure is an increase over 1984's total by nearly 20%, the type of growth the industry has seen annually for the last several years. According to Predicasts Inc., overnight deliveries will account for nearly 43% of all small package shipment revenues by 1988. Revenues for this industry are currently estimated to be $4 billion to $6.5 billion a year.

USPS has a $20 million ad flight.

Still, the express segment is in its infancy compared to the likes of some freight forwarders, parcel post firms and, of course, the U.S. Postal Service, which have been around for decades. The freight forwarding business got a boost in the late 1940's, thanks to advances in aircraft technology made in World War II. It got another evolutionary shot in the arm in the 1960's with the widespread use of jet planes. In 1973, Federal took the industry's next leap, buying its own air fleet and starting overnight delivery.

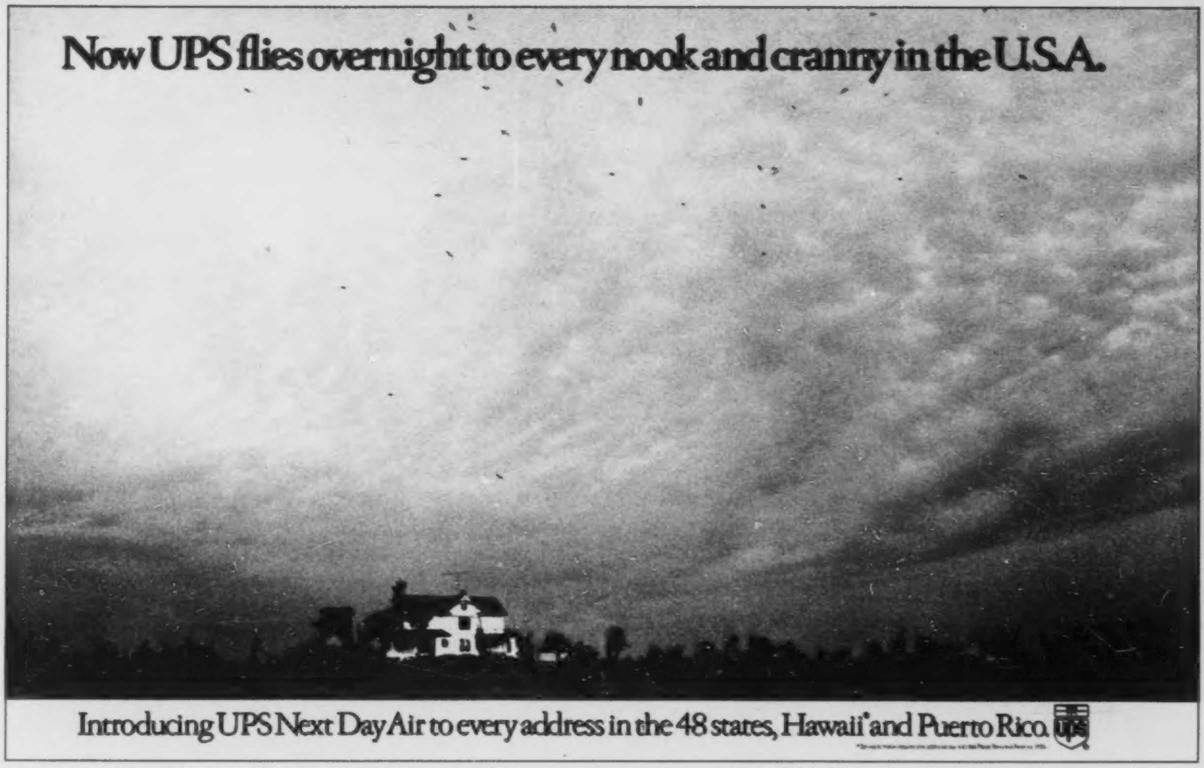
Why has the express end of the business seen such rocket-powered growth since Federal Express blazed the trail in the 70's? "There is an information

Courier Services' Media Expenditures for 1985 (000)

Company	Total	Mags	Net TV	Spot TV	Outdoor	Newspapers	Net Radio	Cable TV
Airborne	$7,169.9	–	$6,950.5	$219.4	–	–	–	–
DHL	6,907.2	2,551.0	–	3,982.0	–	374.2	–	–
Emery	16,889.6	580.2	12,080.1	3,166.0	601.6	116.5	–	345.2
Express Mail*	–	–	–	–	–	–	–	–
Federal Express	28,526.5	2,062.4	16,605.2	6,427.8	–	3,258.4	–	172.7
Purolator	7,174.7	47.4	65.8	7,017.3	44.2	–	–	–
United Parcel Service	9,698.9	1,329.9	–	6,689.6	–	918.9	–	760.5

*figures not available

Source: Leading National Advertisers. Newspaper figures compiled by Media Records.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ups

Long the king of ground courier services, UPS is nipping at competitors' heels in the air, too.

explosion in this country and everyone wants 'it' faster," claims James McCarthy, a spokesman for the Air Transport Association. "It," he says, could be in the form of anything that fits into the small package range: cancelled checks, video tapes, blueprints, legal documents, illustrations, to name a few. "This whole business," says an industry insider, "has taken off because the size of packages companies want moved has shrunk. The critical shipments of small things is growing."

Many say that the growth of this segment is a reflection of the fundamental change American industry is undergoing. Due to the economy's growing service sector, a document or a load of micro-chips is now as "critical" a shipment as a piece of heavy machinery. Up to 60% of all overnight shipments are letters or documents.

Marketing has played what one industry observer calls an "immensely" important role in getting this business off the ground. Almost single-handedly, Federal Express — with consumer-style marketing techniques — created a desire in the business community for next-day delivery service. "Federal Express pulled off one of the greatest marketing scams in the industry by making people believe they absolutely, positively had to have something right away," one industry watcher, referring to the company's ads, chuckles appreciatively.

The industry, according to Leading National Advertisers, spent $72.7 million in LNA's eight measured media in 1985, while Media Records shows $4.8 million in investments for courier services in 1985. J. Walter Thompson Co. says its research puts the media total more in the $100 million range.

As important as advertising, most of which is business-to-business in nature, is to the express courier industry, there is one marketing tool all the leading players will say is the key to success or failure. "The company that gives the best service gets the customer," says a UPS employee. "In this business, if you don't have dependability, you won't get a second chance."

Purolator may have veered off course by trying to move beyond its sturdy, low-cost image to compete with FedEx, and others, in the skies.

Though differences are fading, each company has traditionally had its own service niche. The cargo bays of Emery's planes, for example, allow it to handle virtually any size shipment. Federal Express caters both to individuals as well as companies. While several own their own air and ground fleets, Airborne Freight Corp. owns its own airport, which can help it expedite processing even more. UPS is known for its excellent ground operations that enable it to make deliveries virtually anywhere in the 48 contiguous states, no matter how far afield.

Yet, as competition in the industry grows fiercer, courier companies are speeding up efforts to encroach on each other's territory, and some say they are approaching parity. Some, indeed, think the industry is mature, populated by companies increasingly forced to duke it out for market share. "I don't think the industry can get much bigger," says Bernard La Londe, professor of transportation and logistics at Ohio State University. He says that, for example, a shipper has eighteen different overnight services to choose from to move a package from Jacksonville, Fla., to Stamford, Conn., and ten for second-day delivery. "How many packages can there be?" asks La Londe. In addition, he points out that the increasing use of discounts to shippers is cutting into profit margins.

Given the exorbitant start-up costs, it seems unlikely that any new couriers will appear. In fact many observers, including La Londe, say a shakeout is imminent. " 'Overnight' says you've *got* to go whether you've got a full plane or half a plane," he says. "Some companies just have deeper pockets than others and some are bound to fold." Mark Solomon, assistant editor of *Traffic World* magazine, agrees. "There are too many out there performing the same task. There's going to be a big shakeout and lots of consolidation through the rest of the century." He adds, "The little guys can't, in most cases, survive" against the giants.

Federal Express, which virtually created the overnight need, is credited with between 40% and 45% of the air courier market.

But there are areas of substantial growth opportunities remaining for the industry. Observers say there will be an expanding demand for courier shipments of larger packages. Some companies, like Emery, go well beyond the 70-pound small package limit. Federal, for example, has gone beyond that barrier twice, first raising its limit to 100 pounds, then 150.

Some point to second-day, or deferred, delivery as the next boom pocket for the industry. Federal, et al, did a good job of making corporate America want overnight deliveries. But as cost-cutting becomes the order of the day at more U.S. companies, cheaper second-day service looks more appealing. And that has to make it more appealing to courier service marketers.

Clearly, expansion by U.S. couriers into international markets holds heady growth potential. DHL Worldwide Courier Express is the far-and-away leader in the overseas market. But a number of other U.S. carriers have recently taken the plunge, including the U.S. Postal Service Express Mail and Federal Express.

Opinions are divided, though, on another potential area of growth. Many wonder just how much business courier service companies can wring from the electronic transmission of data over facsimile machines, a packageless form of parcel post. Many industry watchers think "fax" machines will eventually supplant the need for much of the existing courier network in the future, and they suggest that the courier services invest in the business early on.

Others warn, however, that as the cost of facsimile equipment drops, companies may set up their own transmission systems and won't need to have a courier service transmit their documents.

Federal Express and DHL are two companies which have recently launched fax services. Though Federal's Zapmail has steadily lost money during its two-year lifespan, Federal says it has no plans to stop marketing it, insisting it is the wave of the future.

FEDERAL EXPRESS CORP.

"It's tough to target for this business," sighs Nancy Altenburg, senior manager of corporate advertising at Federal Express. She refers to the quandary faced by the large air express companies in general. Along with the growth of this industry came a shift in corporate America as to who was responsible for shipping what. Now that very light items can be as important as heavy freight shipments, the responsibility to choose a courier service no longer always falls to the shipping department. "Secretaries are as important to this industry as company

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WE GIVE YOU A MONEY-BACK GUARANTEE.
THEY DON'T.
FEDERAL EXPRESS

Federal hangs on to its lead: A new campaign is due this fall.

executives," says Altenburg. "It's anyone who is a decision maker, so we target virtually everyone in business."

Federal must be doing something right. Credited with a 40%-45% share of the express market, it handles an average of 561,248 packages per night. In its fiscal 1986, Federal was responsible for 142,557,000 packages, overnight deliveries and transmissions, an increase of 37.4% from 1985.

Federal's first ad pitches were strictly of the business-to-business ilk. Now that the company, unlike some others, actively seeks consumer business, its campaigns have, as Altenburg describes it, "a consumer twist." Leading National Advertisers lists Federal's 1985 ad budget as $25.6 million, a figure the company says is in the ballpark. The 1986 budget, Altenburg says, has risen in line with inflation.

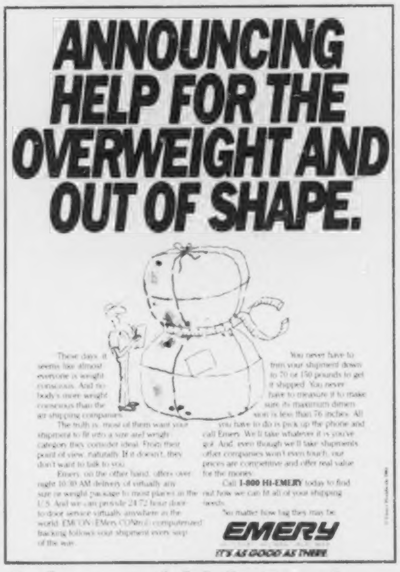
Though Federal's current campaign will run through this summer, it plans to break a new one in the fall through its agency, Ally & Gargano Inc.

A full 80% of Federal's budget goes into tv buys, which include news, sports and prime time slots. Among those are *60 Minutes, 20/20, Wide World of Sports, Monday Night Football, Hill Street Blues, Magnum P.I.* and network movies.

Radio and newspaper buys (Media Records shows $3.3 million invested in newspapers in 1985) are done locally, usually to announce the introduction of Federal service into a community or a new type of service. National newspaper buys are *USA Today* and the *Wall Street Journal*.

Both consumer as well as business magazines receive Federal dollars. Those include the major newsweeklies, *Fortune, Forbes* and *Business Week*, as well as traffic and purchasing trade books like *Purchasing World, Traffic Management* and *Distribution Management*. Outdoor advertising, says Altenburg, is currently being done on an experimental basis.

Federal, with its nearly 328 storefront dropoff points, is more retail-oriented in its marketing approach than most of the industry. It uses promotions a great deal at the retail level, often sponsoring things like giveaways and incentive offers. When it inaugurated its Saturday morning delivery service, for example, it sent coffee cake to a number of companies. It also does extensive direct mail marketing, all of which targets businesses.



ANNOUNCING HELP FOR THE OVERWEIGHT AND OUT OF SHAPE.

These days, it seems like almost everyone is weight conscious. And nobody's more weight conscious than the air shipping companies.

The truth is, most of them want your shipment to fit into a size and weight category they consider ideal. From their point of view, naturally. If it doesn't, they don't want to talk to you.

Emery, on the other hand, offers overnight 10:30 AM delivery of virtually any size or weight package to most places in the U.S. And we can provide 24/72 hour door-to-door service virtually anywhere in the world. EMCON (EMery CONtrol) computerized tracking follows your shipment every step of the way.

You never have to trim your shipment down to 70 or 150 pounds to get it shipped. You never have to measure it to make sure its maximum dimension is less than 76 inches. All you have to do is pick up the phone and call Emery. We'll take whatever it is you've got. And, even though we'll take shipments other companies won't even touch, our prices are competitive and offer real value for the money.

Call **1-800 HI-EMERY** today to find out how we can fit all of your shipping needs.

No matter how big they may be.

EMERY

IT'S AS GOOD AS THERE.

Is there growth left for Emery?

Currently, the company isn't running any advertising for Zapmail, its document transmission service. The company insists that despite the service's startup problems, it is firmly committed to Zapmail and plans to launch new ads later this year.

UNITED PARCEL SERVICE INC.

Though it traditionally has been known as king of the courier services in terms of overland, ground deliveries, United Parcel Service is credited with a 15% share of the total express delivery market by Michael Walker, an analyst with Legg Mason Wood Walker Inc. Most of the eight million packages it handles per day never leave the ground.

"The express business is increasingly dominated by UPS and Federal in the under 70-pound category," according to Walker. While Federal has been known as the high-cost, high-service courier and UPS as the low-cost service, Walker says they are edging onto each other's turf. The company that owns the familiar chocolate brown trucks began building up the air end of its service just recently when it acquired its first planes and engaged in exclusive leasing arrangements with other airlines. Formerly a delivery service that took at least two days to join point A to point B, it began offering next-day air service in late 1982. It began an international delivery service this spring.

Says Peter Fredo, national customer communications manager at UPS, "99% of our marketing is geared to the existent customer. Everything is predicated on protecting our ground business." He says their advertising is far more business-to-business targeted than consumer-oriented. "We're still not the aggressive spenders [on advertising] others are because of the b-to-b slant," he comments. The company's ad slogan, "We run the tightest ship in the business," hits on the themes of dependability and price. Fredo says that while UPS is interested in being the service of choice for the average small-package shipper, it makes it more convenient for a business shipper to use its service.

LNA lists the company's 1985 expenditures at about $8.8 million, a figure Fredo doesn't dispute and says will rise somewhat for 1986. The bulk of the dollars go to tv buys which, he says, are almost exclusively prime time spot, sports and news shows.

Both trade and consumer books get print attention from UPS. Among the latter category, titles include *Forbes*, *Fortune*, *Business Week*, *Inc*. and *Working Woman*. Among the trade titles: *Distribution, Handling and Shipping* and *Purchasing World*. At present, UPS doesn't use newspapers, outdoor or radio.

U.S.P.S. EXPRESS MAIL

In what may be the understatement of the year, Greg Whiteman, general manager of the expedited services division of the United States Postal Service, observes, "We're not a one-dimensional company."

Handling 46.9 million pieces of express mail that generated revenues of $572 million in 1985, Express Mail is ranked third in the industry, with a 10% market share (though Whiteman says it's more like 15%). Those numbers may seem surprisingly small — this is the *Post Office*, after all. But the Postal Service has long maintained that it is not out to dominate the express delivery market; all they hope to achieve is to offer the public a full compliment of shipping options. "This is still a very attractive product for us from of the operating margin and revenue standpoint," says Whiteman. "But it's also important to the [Postal Service] image that we can offer a full range of services." Express Mail began in 1971.

Express Mail's advertising, he says, has put a good deal of emphasis on convenience. They've got a point. There are 26,000 post offices where express packages can be dropped off, in addition to over 10,000 collection boxes. The Postal Service has a truck pickup option and, if need be, consumers can even add parcels to their mail carrier's load.

Whiteman says ad expenditures are about $20 million currently, a figure that has held fairly steady. Tv buys are concentrated in 21 spot markets, with emphasis put on morning and evening news shows, and prime time. The U.S.P.S. has made no print buys in trade books for the last several months, but has bought into consumer publications like *Time*, *U.S. News & World Report*, *Sports Illustrated* and *People*. Whiteman says national advertising doesn't differentiate by industry or application, but Express targets a bit more in its direct mail efforts.

PUROLATOR COURIER CORP.

"We've dedicated ourselves to the high-anxiety segment of the market," states Gary Garkowski, vice president of marketing. Given Purolator's recent rocky road, some might think he was trying to make light of hard times. He defines this segment, however, as the group that makes use of the industry's competitors to provide on-call pick up and early morning delivery.

Despite several quarters of multimillion dollar losses, Purolator Courier is still credited with an 8% to 10% share of the market.

After running a humorous ad cam-

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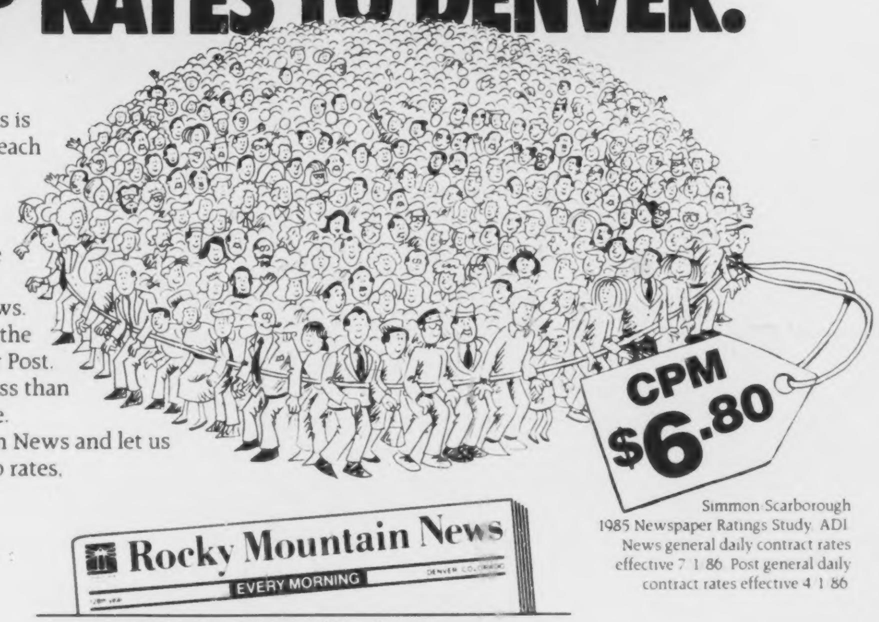

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paign in the early 1980's that played on popular mispronunciations of its name, such as "Percolator" and "Perpetrator," it stopped advertising altogether in 1982 when it became unable to handle the business it already had. Many feel Purolator's problems stem from the time in the early 1980's when the company veered from its long-standing niche as a low-cost, regional overland delivery service and took to the air in hopes of competing with the likes of Federal Express.

Though the company doesn't plan to abandon any of its air-service capacity, currently about 75% of its shipments are handled by trucks. As other courier companies, Federal for example, have discovered, a solid ground operation can make shipping cheaper, more efficient and allows a company to expand its regional reach.

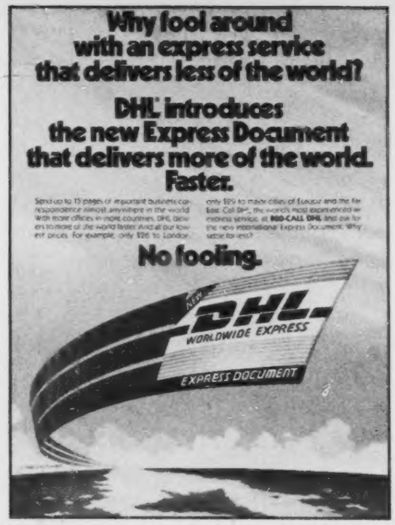
According to Garkowski, Purolator's ad budget has held steady at about $15 million for the past two years. As with much of the industry, media buys are concentrated in pre-Christmas and pre-Easter bunches. A large part of Purolator's budget goes to spot tv buys and, says Garkowski, about 80% of that goes to five to ten major markets.

Though the company is still running "maintenance" advertising, it recently switched agencies, moving from Wells, Rich, Greene Inc. to Lois Pitts Gershon Pon/GGK. A new ad campaign is expected later this year.

AIRBORNE FREIGHT CORP.

"We are primarily a direct sales company," explains Kent Freudenberger, executive vice president/marketing division at Airborne. That's especially true for 1986, as the company canceled plans to launch a new $8 million tv ad campaign this spring.

"Our growth was so explosive in the fourth quarter [of 1985]," says Freudenberger, "that we've had to accelerate our aircraft expansion plans and add more drivers" to ground operations. While Airborne hasn't posted losses, it did see profits drop more than 65% in that quarter. The company claims a 5% share of the market.



DHL: In the heat of competition.

"The judgment was made that we'd be better served in the short range," says Freudenberger, to put the "money into the company rather than blow our brains out for another $10 million or $12 million in advertising." He adds that the company is spending about $2 million testing new tv commercials through November and hopes to break a new campaign in early 1987.

The company also runs no domestic print advertising currently, though it does use books like the Far East edition of *Time* to pitch its international service. Airborne, he says, has an ongoing direct mail program that pitches new customers and makes follow-up contacts with existent ones.

EMERY WORLDWIDE

Emery's name change, substituting "Worldwide" for "Air Freight," is indicative of how the courier hopes to reposition itself. Emery had traditionally been known as the domestic air freight company that specializes in heavy cargo. Now it is pushing its overseas delivery service more aggressively and is going after some of the industry's lucrative small-package business. The company's current slogan: "Any size, any weight, anywhere."

Credited with a 2.5% market share, Emery has experienced some turbulence of late, reporting a $9.6 million loss in the first quarter of 1986. It lays some of the blame at the door of a recent strike in the New York area and to flattening revenue growth.

According to Cornelia Thornburg, Emery's account representative at agency J. Walter Thompson Co., the courier has an ad budget for 1986 of $20 million. Network, spot and cable tv get 90% of those dollars, she says, the target being infrequent shippers as well as corporate users. "Our whole use of tv and business magazines," she says, "is not just an effort to go after the traffic managers of the world, but also you and me."

Business/consumer print buys include *Business Week*, *Forbes* and *Dun's Review*. Among the trade books on the media schedule are *Jet Cargo News*, *Handling & Shipping Management* and *Traffic Management*. *USA Today* is the only newspaper buy.

DHL WORLDWIDE COURIER EXPRESS

DHL has the lion's share — over 50% — of the international market, servicing 163 countries. But it still manages only a very small part of the U.S. express delivery market.

Founded in 1969, the company has been here all along but mainly used the U.S. as a base for international operations. Though it has made a more aggressive marketing push here over the last five or so years, it holds under 2% market share. Analysts say that, domestically, DHL will have a bumpy flight.

It is essentially trying to do in the states what the U.S. industry giants are trying to do overseas: break into a heavily dominated market. Still and all, says Pam Rhodes, DHL's product manager/international, "The marketplace here is so huge that even though market share increases will probably come slower, volume increases won't." Though DHL spends about $50 million on advertising overseas, it spends a comparatively small $6.5 million advertising its overseas services here. It currently runs no advertising pitching its domestic service, and hasn't for the last two years.

U.S. ads for the international service are seen through spot tv buys in large metro areas. Print buys include *Forbes* and *Fortune*. Rhodes says the company is looking at the possibility of regional buys in some news magazines, but current thinking is that they are too broad-based. The company makes heavy use of trades, going into 35 in all; titles include *Shipping and Handling* and *Purchasing Decisions*. Local newspapers get some DHL dollars, as does the *Wall Street Journal*. ■

POINT/COUNTERPOINT/

RATING PEOPLE METERS

THE SOONER, THE BETTER

National people meter measurement is at hand. This is underscored by Nielsen's recent press release announcing their plans to launch either one of two people meter services starting with the 1987-88 broadcast season. The announcement was especially gratifying in that all three broadcast networks have signed multi-year Nielsen contracts that incorporate this transition to people meters. Obviously network concerns regarding sample turnover/representativeness, push button fatigue and viewing levels (future television coincidentals not withstanding) have been satisfactorily allayed.

Nielsen's first option would use people meter data to replace the diary NAC panel and continue to conform this data to the NTI household sample — in our view inefficient, awkward and illogical. The second option, referred to as the "integrated people meter," would provide both household and people data from a single sample and is clearly favored by Ted Bates.

A properly representative "integrated people meter" sample provides advertisers/agencies with the most effective methodology to buy/plan national television campaigns and produces data virtually identical to the less desirable "conformed option."

Ted Bates has enthusiastically endorsed people meter measurement in word and deed (AGB subscriber). The following are unassailable advantages offered by people meters over the current NTI-HH meter/NAC diary-persons "conformed" methodology.

Continuous people measurement

- 52 weeks of data vs. 38 weeks currently with the NAC diary.

Expanded sample size

- Increased stability of data.
- Smaller cells reportable.
- Single sample reporting comparable people audiences for cable, national syndication and network tv.

Eliminates diary weaknesses

- Overstatement of high awareness type programing; understatement of less familiar channels/programs.
- Entry of diary data on a recall basis well after viewing takes place.
- Inability of diary to keep pace with expanding television channels and viewing options.

Cooperation rate

- Superior to NAC diary; comparable to NTI household rate.

Ted Bates firmly believes people meter acceptance establishes the foundation of new/more relevant television commercial measures. For example, merging people meters with a Monitor-plus (identifies commercial activity) type of service will enable agencies/advertisers to quantify our primary concern — commercial audiences on a persons basis. It more readily accommodates measures of channel switching, VCR commercial avoidance and even out-of-room commercial behavior.

This development sets the stage for progress the industry urgently requires to keep abreast of the major technological developments impacting the television medium.

Walter Reichel is executive vice president of media for Ted Bates Advertising, New York.

OUR READERS TELL US . . .

Hard to believe but true. It's time to start planning next year's media budget. *M&MD*, with the help of Research USA, Chicago, polled our advertiser readers to see what kind of environment they are budgeting for.

1. In planning next year's media budget, do you intend to:

Increase your ad expenditures 5%-10%	31.5%
Increase your expenditures above 10%	23.1
Spend at approximately the same level	27.8
Decrease spending in the 5% to 10% range	9.3
Decrease spending by more than 10%	4.6
No answer	3.7

Base: 108

2. In planning your budget, how will allocations fall for the individual media?

	Increase	Same	Decrease	Base
Network tv	40.9%	27.3%	31.8%	(44)
Spot tv	41.0	37.7	21.3	(61)
Syndication	39.4	39.4	21.2	(33)
Cable	44.2	42.3	13.5	(52)
Network radio	30.0	45.0	25.0	(20)
Spot radio	41.2	45.1	13.7	(51)
Consumer magazines	39.7	43.1	17.2	(58)
Business magazines	45.3	42.2	12.5	(64)
Newspapers	31.7	46.1	22.2	(63)
Outdoor	25.0	63.9	11.1	(36)
Yellow pages	17.1	65.8	17.1	(41)

UNANSWERED QUESTIONS

The debate is over. America's love affair with technology and competition has prevailed. People meters will be the standard Nielsen service in September 1987. We are all going to try to make it work, but it won't be easy. There are a number of issues that remain to be resolved.

Let's look at three issues that will face the industry this fall: integrated vs. conformed meters, sample size and audience definition.

Ideally, we would prefer to see an integrated people meter system where household tuning and audience composition are measured in the same homes. But the cooperation rate is lower for people meters than for household meters. If this lower cooperation rate produces household ratings in people meter homes that are systematically different from those in homes with household meters, then the household data will be inaccurate and the viewer projection will be even worse. Nielsen will have no choice. They will have to adopt a conformed system — two separate samples in which the audience composition in people meter homes is pro-rated against the standard of truth: the household ratings in homes with household meters.

How big should the sample be? This is a complicated question. For most broadcast network programs, a sample of 2,000 people meters will be sufficient and represents a considerable increase of the NAC diary sample. Some cable networks would like larger samples. Nielsen suggested 4,000. But that really won't be a meaningful improvement; to obtain the same relative error for cable networks as for broadcast networks would require a ten-fold increase in sample size — a research cost no one will be willing to pay. Also, whatever sample size is needed for people meters would have to be matched by a second household meter sample if we adopt a conformed system.

The third issue is defining the audience.

For example, AGB in England asks people to push people meter buttons when they are in the room. In the United States, AGB and Nielsen ask people to push the button when they are watching. (ScanAmerica asks people to push the button when they are watching or listening.) When Nielsen and AGB were asked why they measured watching instead of in-the-room, they both acknowledged not having given the matter much thought. It's time for the industry to give this question serious thought.

Traditionally, advertising media have been measured behaviorally in terms of exposure, while the advertising itself has been measured in terms of attitudes (attention, recall and persuasion). Measurement of people in the audience should be based on behavior — all viewers know whether they are in the room or not. Self-reported "watching" is too much a matter of individual interpretation.

The next generation of meters will be passive. These passive people meters will automatically register who is in the room. Since that is to be the standard, we should use "in-the-room" measure now with the transitional people meters.

William S. Rubens is vice president of research for the number-one ranked NBC Television Network.

3. What cost increases do you anticipate for the individual media?

	0%-4%	5%-9%	Over 10%	Base
Network tv	51.0%	39.2%	9.8%	(51)
Spot tv	33.8	55.4	10.8	(65)
Syndication	61.9	31.0	7.12	(42)
Cable	61.8	38.2	—	(55)
Network radio	50.0	47.2	2.8	(36)
Spot radio	40.7	55.6	3.7	(54)
Consumer magazines	29.5	60.7	9.8	(61)
Business magazines	39.1	50.8	10.1	(69)
Newspapers	48.3	41.7	10.0	(60)
Outdoor	53.2	46.8	—	(47)
Yellow pages	58.1	32.6	9.3	(43)

4. Does your budget:

Match media cost increases	43.5%
Surpass media cost increases	20.4
Fall short of media cost increases	29.6
No answer	6.5

Base: 108

5. How much negotiation of ad rates do you expect to do this year?

More	58.4%
Less	0.9
Same	33.3
No answer	7.4

Base: 108

6. Is it too early to factor the people meter into television rate negotiations?

Yes	53.7%
No	13.0
No answer; don't know	7.4

Base: 108

TOOLS OF THE TRADE

by Wally Wood

COSTING OUT MARKETING

Is there anyone in marketing who has not wondered — especially during budget season — just what other companies spend?

Not just what they spend on advertising, but on their direct selling effort — sales salaries, bonuses, commissions, travel and entertainment and telemarketing expenses? And let's learn the percent of sales they spend on marketing support and on market research. Wouldn't it be helpful to know — especially if one were a computer company marketing manager — that the average electronic computing equipment company spends 43.9% of its total marketing communications budget on print advertising and only 5.7% on direct mail? Knowing that, if one were such a manager, one could excuse one's own budget by pointing to the industry averages . . . or try to zig while the rest of the industry zags.

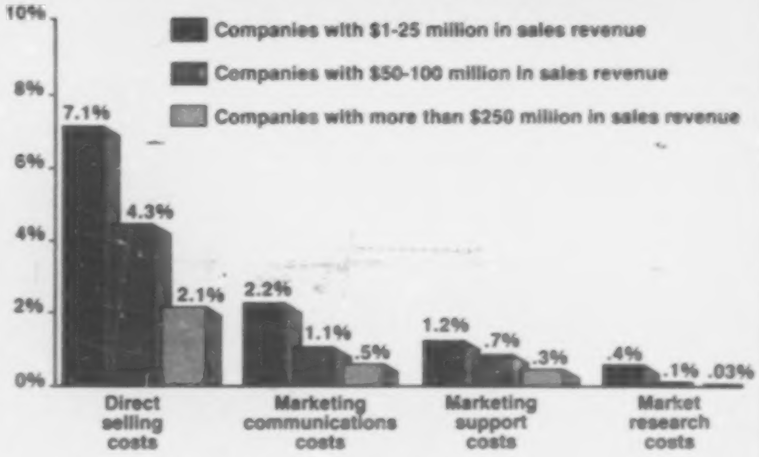
For the first time, McGraw-Hill has such figures for eight industries. They are from a "Survey of Industrial Marketing Costs," based on an nth-name sample of marketing managers in industrial companies drawn from the circulation list of *Business Marketing* magazine. McGraw-Hill Research mailed questionnaires to a sample of 749 marketing managers; after three mailings and telephone follow-up of non-respondents, it had 382 usable questionnaires, a 51% response rate.

As McGraw-Hill's vice president of research Dr. David Forsyth points out, "There is no correct marketing investment for any company. Marketing costs will vary from company to company for many reasons. No two companies enter the marketplace with exactly the same goals, objectives, reputation, market share, quality of product, strength, weaknesses or philosophies. All these factors play a role in determining how much they invest in their marketing."

Right. But with that disclaimer aside, what are my competitors really spending?

McGraw-Hill answers in three Laboratory of Advertising Performance Reports (#8015.5, #8015.6, and #8015.7, $2.00 each if you want to order them). These break out the responses by company size and by industry, but not by both since the cells become unstable. Nonetheless, the reports contain scads of interesting figures.

PERCENT OF SALES INVESTMENT IN MARKETING COSTS



Source: McGraw-Hill Laboratory of Advertising Performance

For example, among all 382 industrial companies surveyed, total marketing costs as a percent of sales average 8.9%. Among computer companies, however, the figure is 15.2%, while among transportation equipment companies, it averages 4.7%. These represent the two extremes among the eight industries the reports break out.

The bigger the company, the smaller the percentage of sales it spends on marketing. While industrial companies with sales under $1 million spend on average 4.4% of their sales on marketing communications, companies with sales over $250 million spend on average 0.5%. The same pattern holds with the other costs: While the smallest companies spend 7.2% of sales on direct selling costs, the largest spend 2.1%. The smallest companies spend 2.2% of sales on marketing support (marketing/advertising planning, advertising salaries and presentation expenses); the largest spend 0.3%. The smallest companies spend 1.3% of their sales on market research (salaries, direct expenses, administrative overhead, interviewing and computer-related expenses); the largest companies spend 0.03%.

In absolute dollars, of course, the numbers increase from the small companies to the large. "Let's look at small industrial companies with under $25 million in sales revenue," says Forsyth. "If we assign a midpoint dollar value of $13 million in sales, and multiply the $13 million figure by the percent of sales investment for each budget item, the dollar investment for each budget item will be $923,000 for

TOOLS OF THE TRADE

> **No two companies enter the marketplace with exactly the same goals . . .**

direct selling costs; $286,000 for marketing communication costs; $156,000 for marketing support costs; and $52,000 for market research costs."

Running through the same exercise for a mid-size company, one with, say, annual sales of $75 million, the investment for each budget item turns out to be $3,225,000 for direct selling costs; $825,000 for marketing communications costs;-$525,000 for marketing support costs; and $75,000 for market research costs.

Forsyth, pointing out that the direct selling expense item accounts for two-thirds of the average industrial company's total marketing investment, an average that makes a lot of sense, asks an interesting question: "Is it the most economical?"

The most recent McGraw-Hill survey on the subject (another survey, another subject) indicates that the average industrial sales call now costs $205.40, up 15% from 1982's figure and up 50% from 1979. Since it takes an average of 5.5 calls to close, it costs $1,129.70 to close each industrial sale. If one could reduce the number of calls, one could dramatically reduce selling costs.

Enter marketing communications. According to the McGraw-Hill marketing costs survey, the average industrial company spends about 20% of its total marketing budget on marketing communications. Where does the money go?

Most of it — 36.3% (of the 20%) — goes for print advertising. The rest breaks down as follows: exhibits and trade shows, 19.9%; catalogs/directories, 13.6%; literature, deals, coupons, point-of-purchase, 9.9%; direct mail, 7.5%; dealer and distributor helps, 5.3%; public relations and publicity, 4.8%; and radio/tv/billboards, 1.9%. The LAP Report breaks out these figures by the eight industries.

The challenge to business marketers, says Forsyth, is to better tailor the personal and non-personal media mix to the specific communications need. "Those marketing managers who develop the communications package with the best combination for their products in their markets for today's selling will end up with better informed customers and more products sold."

And knowing what other companies are spending should help.

SENDAWAYS

For those media buyers who believe that knowing something about the editorial content of a publication is as important as the cost-per-thousand and demographics of the book, there's the "1986 Media-Guide."

Twenty-six publications are critiqued by Jude Wanniski, a former editor of the *Wall Street Journal*, with the help of friends and associates in politics and finance. They offer up opinions on such topics as what were the best news stories of the year and what publications covered them best, who is the best foreign correspondent in America, who wrote most reliably about the bond markets and interest rates and what columnists had good or bad years.

The guide is published by Polyconomics, Inc., a corporate, political and economic counselor that tries to make accurate forecasts based on who they know and what they've encountered in the media.

Copies of the guide cost $16.95. To order, send a check to Polyconomics, Inc., 86 Maple Ave., Morristown, N.J. 07960-9990.

Rebecca Fannin

First Regional
Creative Media
Awards

Winners of The First Regional Creative Media Awards will be announced and honored at an Awards luncheon on Wednesday, September 18 in Chicago. The event is held in conjunction with Marketing & Media Week.

The growing complexity and importance of media have pushed the media department into a higher profile with today's advertising agency and client. Regional Creative Media Awards are designed to recognize their growing importance.

Anyone from the midwestern states may enter. Submit entries not older than January 1983 with supporting rationale for the selected media and strategy. If entries are submitted for more than one category, include duplicate entry forms and separate complete copies of your entry for each category. Fee per entry, $15. Entries will be judged on:

1. Clear concise explanation of the innovative approach.
2. Tactical approach.
3. Effectiveness relative to objective.

Awards given for these categories:

1. **Most creative overall media plan.**

Most creative tactical use of:

2. **Television.**
3. **Radio.**
4. **Consumer magazines.**
5. **Business publications.**
6. **Newspapers.**
7. **Out-of-home.**
8. **Sunday magazine.**
9. **Cable.**
10. **Yellow pages.**

Deadline for entry: Monday, Aug. 18
Please send entries to:
Marketing & Media Education
902 Broadway, New York 10010
Send a stamped self-addressed envelope for return of entry.

ENTRY FORM

Category number entered ____________
Key Person(s) to be awarded
Name Company
____
____
Entry submitted by ____________
Address ____________
____
Phone number (   ) ____________

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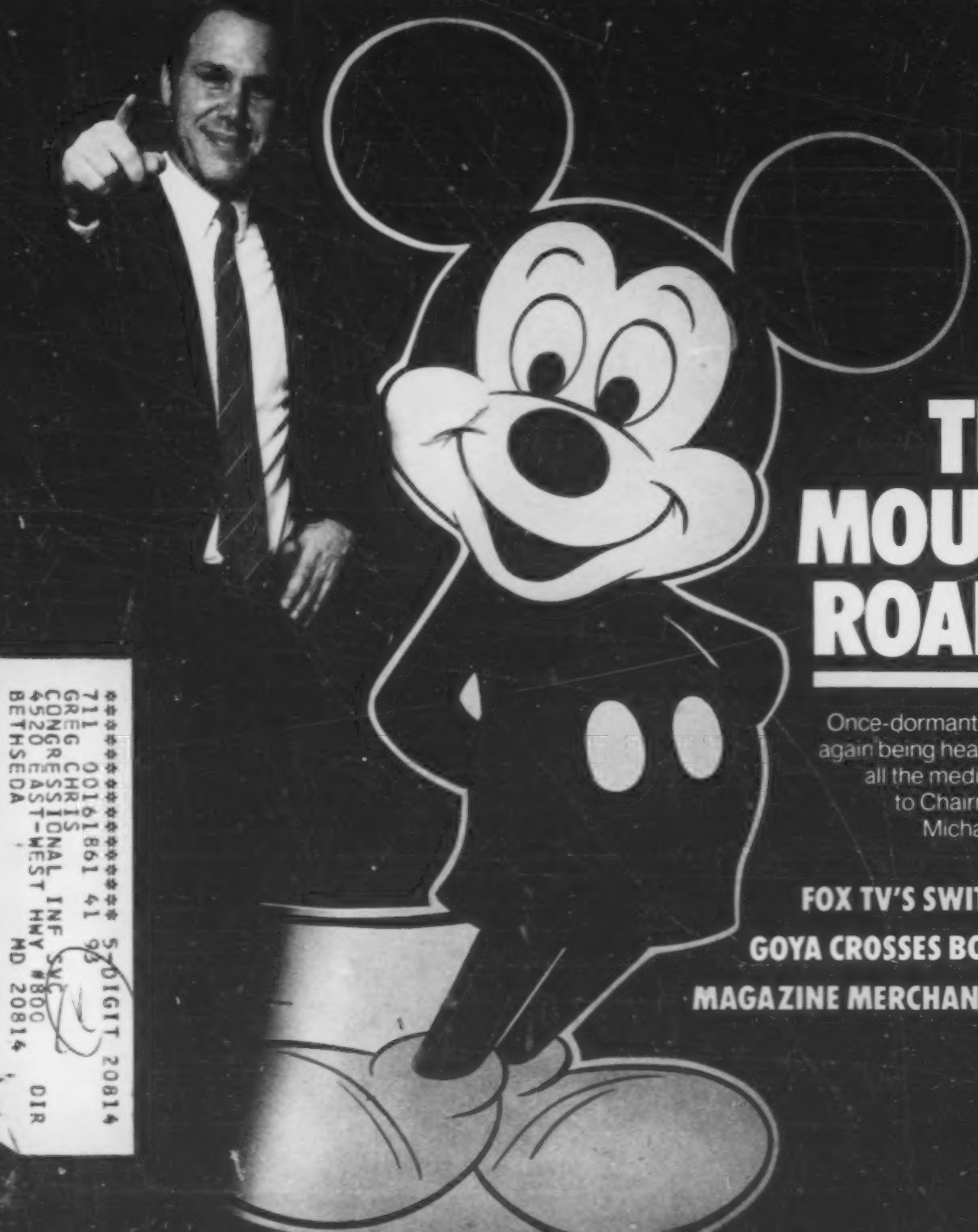
MARKETING & MEDIA DECISIONS



THE MOUSE ROARS

Once-dormant Disney is again being heard across all the media, thanks to Chairman/CEO Michael Eisner.

FOX TV'S SWITCH-ON

GOYA CROSSES BORDERS

MAGAZINE MERCHANDISING

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GREG CHRIS
CONGRESSIONAL INF SVC
4520 EAST-WEST HWY #800 DIR
BETHSEDA MD 20814

MARKETING & MEDIA DECISIONS

COVER STORY

IT'S A WONDERFUL WORLD AT DISNEY 52

The executive Mouseketeers at Walt Disney Co. are putting on a dazzling, multi-media show in reviving this entertainment empire. A comprehensive view of what Michael Eisner and Team Disney are doing to keep that smile on Mickey's face.

FEATURES

CRAZY LIKE A FOX 39

Murdoch's Fox Broadcasting effort to launch a fourth tv network is viewed by many as risky, but by some as well worth it.

GETTING DISCOVERED 45

It's one thing to get the public to know that there's a new credit card. But as Sears is finding out with Discover, it's another to get them to use it.

THE PAGE-PLUS STRATEGY 66

Magazine publishers are using merchandising to add value to their advertising pages. Some of the plans they've created have helped dispel merchandising's shady reputation.

GOYA, OH BOY-A! 78

America's largest Hispanic-owned food manufacturer provides a textbook example of how to address a segmented specialty market.

BRAND REPORT 136: FRUIT JUICES 101

They're the right drink for the times, and everyone is diving in to ride the growth curve. The orange, apple, grapefruit, pineapple, grape and blend categories are analyzed.

DEPARTMENTS

DEBUT 4

Meredith looks over its shoulder at all the magazines launched in 1985, providing a picture of a year in publishing.

FREEZE FRAME 8

The tv receive-only industry is still reeling from its transition to a pay tv business — but there's hope. Also, *Sesame Street* has found a way to repackage its library for the video cassette market.

DIRECT MARKETING 12

A look at Cohn & Wells' starring role at the San Francisco Film Festival. Interest in direct marketing by the Japanese is examined, as well as McCann's Coen's call of yearend earnings for the category.

PRINT BEAT 17

Free-standing insert users are backing their offers with tv promotion, while the new marketing team at the MPA rethinks its anti-tv drive.

PRO FILES 20

The *New York Times*' Lance Primis is to newspapers what Iacocca is to Chrysler. Also Edward Carter is taking Sprint the distance, and Nicholas Nicholas brings his quiet style to the top of Time Inc.

UPDATE 26

The Gap sells off its Pottery Barn chain to Williams-Sonoma, Hallmark buys into a package of Spanish language tv stations and another catalog adds paid ad pages.

CREATIVE CONCEPTS 34

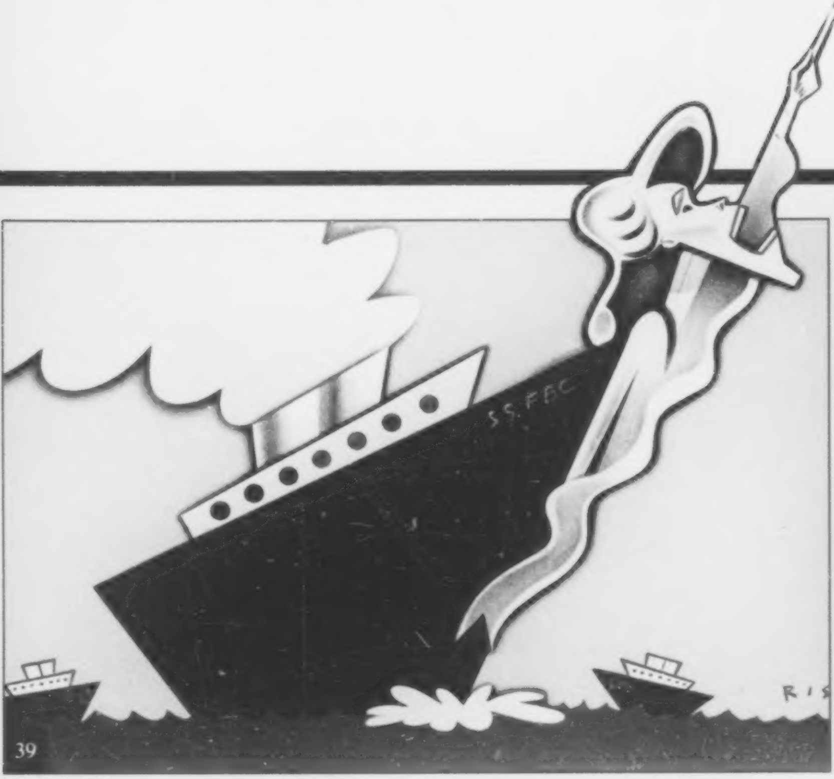
Mixing liquor with the avant garde art world is one way of generating an image that spills over into other more mainstream markets. And liquor advertisers aren't alone in the approach.

POINT/COUNTERPOINT/POLL 116

Karl Kaufmann of 3M outlines mer-

September 1986, Vol. 21, No. 10

Cover photograph by Michael O'Neill



39

78

chandising options open to business book publishers, while *Venture* president Ken Sgro underlines the possible costs of such plans to publishers.

BROADCAST BEAT 119

Given the state of the year in network television, CBS has once again scaled back its yearend earnings estimates.

ON THE DOCKET 121

Wally Snyder reviews the AAF's position on the Synar tobacco proposal and free speech in advertising.

SALES PROMOTION 126

Sales promotion agencies are on a fast track, and they're likely to keep up their pace.

TOOLS OF THE TRADE 132

Chiat/Day's Advance software system is instrumental in letting the agency's myriad departments and offices communicate more efficiently.

ECONOMIC EYE 134

James Kobak shares his picture of the business magazine environment, and LNA updates its ongoing consumer magazine ad category tally.

THE LAST WORD 136

Sharaf N. Rehman of West Texas State University discusses advertising approaches for controversial products.

AS THEY SEE IT

MEDIOLOGY *David N. Martin* 87

A media planning model can take some of the guesswork out of plotting a media strategy.

MAGAZINES *Garfield Ricketts* 88

Here is one approach to evaluating a magazine's total editorial package and then incorporating the results into a CPM analysis.

TELEVISION *Janet Brav* 90

Three strategies are presented for making the most of :15's in an overall television campaign.

BUSINESS MAGAZINES *Wilma Epstein* 94

Publishers' statements offer many insights to those who can read between the lines.

NEWSPAPERS *Jack Cohen* 98

Some encouraging words and some suggestions are offered to the industry's Future of Advertising committee regarding their pricing and positioning plans.

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DIRECT MARKETING

by Rebecca Fannin

A HIT AT THE POSTBOX

The San Francisco Film Festival had been operating in the red for a number of years and was down to about 250 dues-paying members. That was before then-director Shelly Alexander turned to San Francisco-based direct marketers Cohn & Wells for help — please!

First the agency bombarded Alexander with questions about the organization, its background, demographics and long-term direction. The proposed solution that followed included a direct mail campaign offering memberships; a package of premiums with a total perceived value beyond the cost of membership; and a sweepstakes prize of a week for two at the London Film Festival. "It was specifically targeted to film buffs," Alexander points out.

The agency took the film festival membership and merchandised it as a product, rather than a service, with consumer-oriented benefits, explains agency partner, Martin Cohn. As part of the strategy, for example, the premium package included a film reference book, free passes to first-run film screenings, posters, special invitations and discounts.

In developing the package, the agency drew on Cohn's experience with arts membership campaigns. In 1974, Cohn masterminded the membership campaign of the Metropolitan Opera in New York City, doubling its roster of paying members. Cohn previously ran the San Francisco office of Ogilvy & Mather Direct and ran his own direct marketing agency before teaming up last year with partner Brad Wells to form their own agency. Wells' past includes posts at Young & Rubicam, BBDO, Ogilvy & Mather and at Avon Products, where he was director of advertising.

Cohn & Wells did their first mailing for the film festival last October. By mid-December, paid membership had jumped from about 250 to over 900. A second mailing increased membership to almost 1,500. This year should be the first time in years that it has operated in the black.

Cohn targeted film buffs.

The agency took the film festival membership and merchandised it as a product.

Wells' past includes an ad post with Avon Products.

TEACHING JAPAN A LESSON

The Japanese invasion may be old news, but the Orient has yet to tap wholeheartedly the practice of direct marketing. Don't let it be said, however, that the Japanese don't have a keen curiosity about this medium's functions.

Jonah Gitlitz, president of the Direct Marketing Association, reports that at least 100 Japanese businessmen come to the association's headquarters each year to observe, use the library, be briefed by the staff and meet with American direct marketers. Gitlitz observes that Japanese visitors vastly outnumber any single nationality among visitors to the office.

The DMA president made these remarks while in Tokyo during July in a speech before the Japan Direct Marketing Association. There, he explained how the association has dealt with such matters as slow delivery and non-delivery by the Postal Service, privacy of direct mailing lists and self-regulation programs to avoid governmental intervention. These programs, sponsored by the DMA, give consumers the opportunity to remove their names from lists maintained by telemarketers and direct mailers.

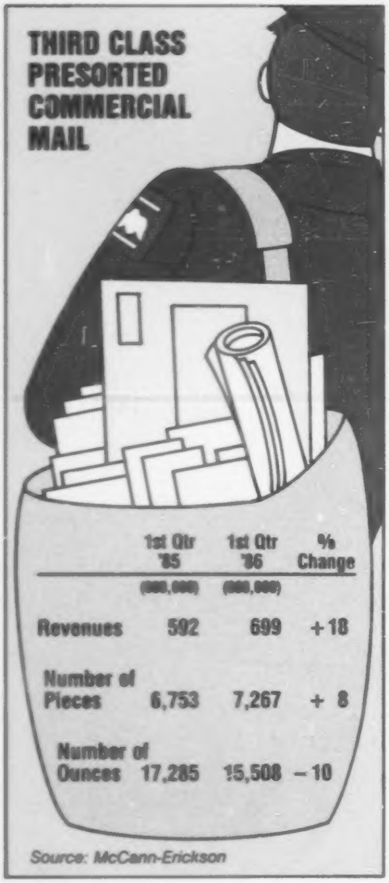
COEN'S CALL

Direct marketing is the fastest growing ad medium except for cable, says Robert J. Coen, senior vice president at McCann-Erickson, Inc., who recently updated his semiannual forecasts of media growth trends.

Coen notes that direct mail is increasing by 10% this year in comparison with 1985, outpacing total advertising revenue increases of approximately 8%. The medium shows further signs this year that it is far from reaching maturity. Revenues for the first quarter, according to his forecast, are up by 18%, compared with the same time period last year.

However, while volume is higher, the weight of the pieces being sent has actually dropped by 10%. Still, 8% more pieces are being mailed, Coen points out.

Commenting on the trends, Coen says much of the direct mail growth is coming from the highly competitive insurance field and credit card offers.



THIRD CLASS PRESORTED COMMERCIAL MAIL

	1st Qtr '85	1st Qtr '86	% Change
	(000,000)	(000,000)	
Revenues	592	699	+18
Number of Pieces	6,753	7,267	+ 8
Number of Ounces	17,285	15,508	−10

Source: McCann-Erickson

Motorland

Northern California's Showcase Magazine for Travel

Motorland represents a travel market that is, by any definition, far above the average in demographic excellence. Multiply this excellence by 1.6 million paid subscribers and it represents a level of efficiency and quality unequalled by any consumer magazine in the West.

The Motorland Market–Where The Money Is.

Californians make up 10 percent of America's population, earn nearly 12 percent of its income, account for 13 percent of its retail sales and spend nearly 15 percent of its travel dollars. And Northern California, Motorland's primary market area, is the richest half Per capita income in Northern California is nearly 19 percent higher than the state's average, and retail sales are 14 percent higher.

California's Best Prospects

	INDEX
Professional	193
Home value, $75,000+	292
Own passport	304
Took foreign air trip (past three years)	239
Own 2+ cars bought new	152
Stock Portfolio $50,000+	231

Source: 1984 MRI double base SF ADI

Your advertisement in **Motorland** works to produce travel sales regardless of destination whether by air, land or sea. **Motorland** subscribers represent 44 percent of all passport holders in the San Francisco ADI. They also account for more than 40 percent of all adults who took any domestic or foreign trips in the past three years.

Motorland Penetration of the San Francisco ADI:

Past Year:

Took 3+ domestic trips	38%
Took 3+ domestic air trips	45%
Spent 6+ nights in a hotel	47%
Have a T&E card	43%
Bought travelers checks	43%
Bought 35 mm film	44%

Source: 1984 MRI double base SF ADI

Clearly, **Motorland** is the magazine of choice when it comes to reaching important travel prospects. For a complete media kit or more information, call Keith Radcliffe, Advertising Manager, collect, at 415/565-2454.

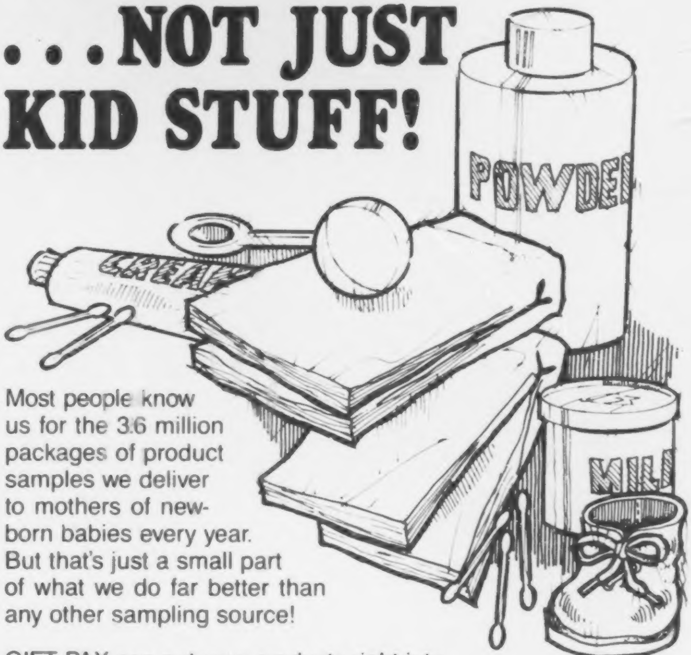
Motorland

TRAVEL AND NEWS MAGAZINE OF THE WESTERN MOTORIST

150 Van Ness Avenue, San Francisco, CA 94101

Member ABC Audit Bureau of Circulations

GIFT PAX ...NOT JUST KID STUFF!



Most people know us for the 3.6 million packages of product samples we deliver to mothers of newborn babies every year. But that's just a small part of what we do far better than any other sampling source!

GIFT PAX can put your products right into the hands of high school and junior high school students, college kids, newlyweds, mothers. . .even senior citizens. GIFT PAX gives you the broadest reach into each of these markets with 21½ million samples and superior control over distribution to assure you that your product samples get into the right hands (we even have a "big eight" accounting firm audit our delivery procedures!). At GIFT PAX we have our own employees insert and ship your samples from our own four distribution plants across the country, and GIFT PAX utilizes attractive and distinctive color packaging that make our boxes easy to inventory. . .and easy to take!

Make GIFT PAX a part of your next promotional plan.
Call TOM KELLY today. . .1-800-GIFTPAX.
In New York 516-485-0660

GIFT PAX
25 Hempstead Gardens Drive
West Hempstead, L.I., N.Y. 11552

#1 in Maine and Northern New England
166,000 weekday readers
211,000 weekend readers

Contact your Sawyer-Ferguson-Walker representative or call Roger Choquet at 1-207-942-4881.

Bangor Daily News
The Maine Choice.

Source: Belden Associates, Dallas, Texas, Oct.-Nov. 1984.

UPDATE

and former chairman of *Marketing & Media Decisions*, is up to these days, here's the scoop. Glenn, who created the American Values Center to research solutions to some of the country's most pressing social problems, has joined forces with two other public service groups to further the effort.

American Values, with Glenn as chairman and former Radio Advertising Bureau president Miles David as president, has teamed up with two Washington-based groups, Partnerships Data Net and Volunteer. The joint venture is now known as the Community Initiatives Network.

American Values will concentrate on gathering public service material broadcast or published by the media on how to cope with 20 critical social problems, while Partnerships Data Net will maintain an electronic data base and Volunteer will handle requests for materials.

200 UPDATES

Well, not exactly. But in our "Top 200 Brands" report in the July issue, crossed signals led to some outdated information. Below are the updates.

NUTRASWEET SWEETENER
(No. 68)
The NutraSweet Company
(Media investments are correct)

Marketing/brand management:
Exec vp, Joseph Morales
Category mgr, NutraSweet Dry Goods, Sue Treiber
Parent: Monsanto
Agency:
Ogilvy & Mather, Chicago
Sr vp, grp dir, Ian Miller
Vp, acct supr, Barb Elmendorf

MILTON BRADLEY GAMES
(No. 155)
Marketing/brand management:
Sr vp, sales, E. David Wilson
Sr vp, r&d, Michael Meyers
Sr vp, mktg, Lawrence Bernstein

BRAND REPORT

No. 136: Fruit Juices

SQUEEZING IN

by Carol Hall

A fierce fight is underway among marketers of branded, nationally recognized fruit juices. The prize, in industry lingo: share of bladder.

No wonder. The American consumer's thirst for fruit juices — beverages that are 100% juice and not, as in the case of a fruit "drink," only part juice — has more than doubled over the last two decades. While in 1964 the average consumer drank 3.5 gallons per capita per year, according to John C. Maxwell, an analyst with Furman Selz Dietz Mager & Birney, that consumer will down 7.2 gallons by the end of 1986. (That's off from the 8.1 gallons drunk in 1984, a drop largely due to

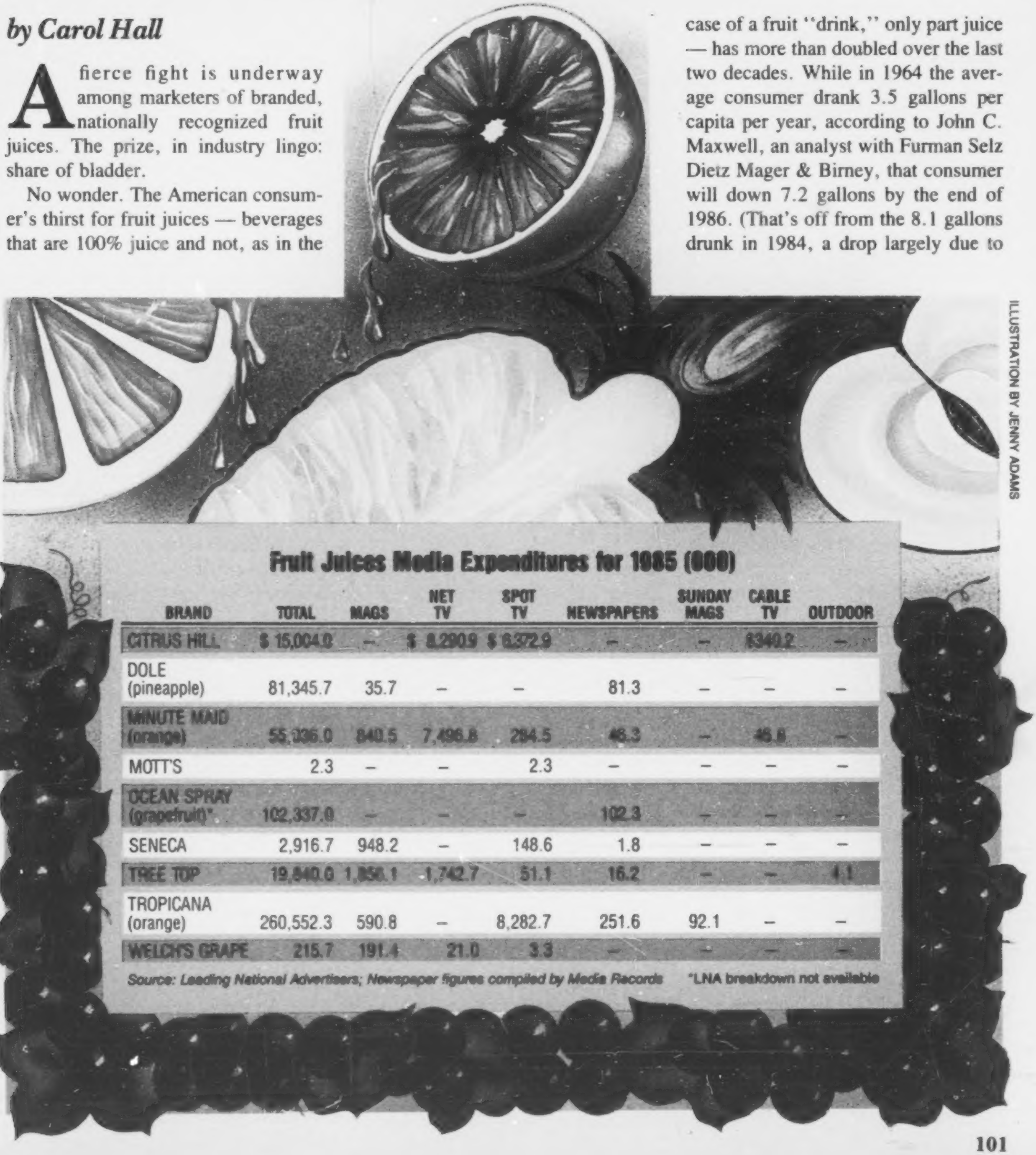


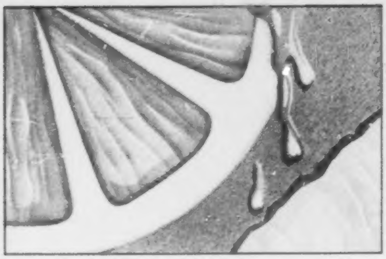
ILLUSTRATION BY JENNY ADAMS

Fruit Juices Media Expenditures for 1985 (000)

BRAND	TOTAL	MAGS	NET TV	SPOT TV	NEWSPAPERS	SUNDAY MAGS	CABLE TV	OUTDOOR
CITRUS HILL	$ 15,004.0	–	$ 8,290.9	$ 6,372.9	–	–	$340.2	–
DOLE (pineapple)	81,345.7	35.7	–	–	81.3	–	–	–
MINUTE MAID (orange)	55,036.0	840.5	7,496.8	284.5	46.3	–	46.8	–
MOTT'S	2.3	–	–	2.3	–	–	–	–
OCEAN SPRAY (grapefruit)*	102,337.0	–	–	–	102.3	–	–	–
SENECA	2,916.7	948.2	–	148.6	1.8	–	–	–
TREE TOP	19,840.0	1,856.1	1,742.7	51.1	16.2	–	–	4.1
TROPICANA (orange)	260,552.3	590.8	–	8,282.7	251.6	92.1	–	–
WELCH'S GRAPE	215.7	191.4	21.0	3.3	–	–	–	–

Source: Leading National Advertisers; Newspaper figures compiled by Media Records

*LNA breakdown not available



supply-related price fluctuations.)

"To the year 2000, juices and soft drinks are really the only two beverage categories expected to grow significantly," predicts Gary Hess, group general manager for Campbell Soup Co., marketer of a juice blend line. He says the most growth will come in the soft drinks category, but "one reason for drinks' growth will be juices."

Says John D. Stacy, a beverage marketing consultant, "The fruit juice idea is present in just about anything you eat or drink — ice cream, soft drinks, ices, pies, cookies, etc. That's a hell of a power." The result is a juice industry that has grown from $1.2 billion in 1972 to $4.1 billion by 1984, according to Business Trends Analysts, a market research firm. Estimates of its current revenues range all the way from about $4.5 billion to $8 billion. BTA projects juice will be an $11 billion market by 1994. Juice is consumed by over 95% of all American households, and nearly 90% of all juice sold is either orange, apple, grapefruit or grape.

The effort on the part of marketers to slake the growing thirst for juice is slowly changing the profile of the industry. Indeed, well over 50% of the business is still in the hands of regional companies that market private label or store brands that sell in a few states. But more and more mega-marketers are getting into the act, populating juice categories with more national and near-national brands. By doing this, they are not only covering more territory with a label, they are gradually taking juices out of the "commodity" realm and giving them brand identities.

The presence of big corporations — most noticeably Coca-Cola Foods, Procter & Gamble Co. and Beatrice Companies Inc., which compete in the the industry's largest segment, orange juice — has intensified competition in most categories and sent advertising expenditures soaring. According to Leading National Advertisers, ad investments between 1978 and 1983 went from $31.2 million to $76.6 million, respectively (as of 1984, LNA combines fruit juice and drink figures). Media Records reports a spending total of $651,540 for the brands profiled below, but observers suspect this understates the case, especially when co-op dollars are included. Increased advertising, coupled with the popularity of 100% juices, makes the industry's growth prospects look sweet indeed.

The market for juices has steadily grown for well over a decade for a host of reasons. Perhaps most important is the country's increasing health and fitness consciousness. One result of this, declining alcohol consumption, has meant a boost for the juice industry as more people have juice at cocktail time.

Feel the freshness. It's pure Tropicana.

Beatrice: king of the chilled juices.

In the beverage sector, the health kick has not only fueled the growth of 100% juices, but is a factor in the explosive growth in the juice-added soda category, as well as in juice drinks. The latter, referred to as "bellywash" by the industry for years, seems to have gotten a new lease on life by upping the juice content of its mixtures. But three times as much pure juice is consumed than juice drink.

Yet in many respects juice's success is a packaging story. For years, juice was sold primarily in bottles, cans and in frozen concentrate form. But in the 1970's juice consumers' lifestyles began to change. As more households saw both parents going off to work, marketers realized they could sell more juice by making it easier to serve. In the 1970's, ready-to-serve orange juice made a splash in the marketplace in gable-top (as in the gables on the roofline of a house) cartons made of treated paper.

This now-familiar packaging concept has almost overtaken long-dominant frozen concentrate in the OJ category, for instance. The fact that frozen juice has to be thawed and mixed with water before it can be consumed seems to be turning off convenience-oriented shoppers. (Business Trends Analysts estimates that frozen concentrated juices will contribute 30% of the category's revenues by 1994, down from 39% in 1983.) And gable-top containers not only boosted orange juice sales but, as different sized cartons are introduced, is helping sales in other juice categories too.

But ask juice marketers what the *real* packaging success of the industry has been and chances are they'll blurt "aseptics" before the end of the question. Since their introduction in 1981, the "paper-bottles" have done what some considered the impossible. Aseptics have brought the single-serving idea alive for the juice market and, by making juice more portable and convenient to drink, actually expanded the list of consumption opportunities in people's minds. Juice now gets taken along on hikes, gets packed into more lunchboxes and gets picked up for snacks. They've also made it easier for juice marketers to increase sales through food vendors as well as vending machines.

Recently introduced styrofoam-wrapped 10-ounce glass bottles are taking the single-serving concept in another direction. They are meeting with some success in the marketplace but are still only used by a handful of marketers.

Another boon to the industry has been the introduction of beverages that are a blend of 100% fruit juices. The blend market itself has grown impressively — making its debut in 1975, it had grown to a $76 million market by June of 1984, and up again to a $135 million one by June of 1985, according to Selling Areas Marketing Inc. Its growth was helped both by the introduction of aseptics as well as by the simple fact that more marketers jumped on the blend bandwagon in the 1980's. The variety of flavors appeals to consumers and the ability to play around with the taste — but still market a 100% juice product — appeals strongly to manufacturers.

Though juice consumption has shown an overall increase, the market has had intermittent ups and downs. Per-capita consumption for 1984 was 8.1 gallons, versus 1985's total of 7.3. Such dips have mostly been the result of price fluctuations caused largely by supply problems — the devastating 1983 freeze in Florida, for instance. "I'm still a long-term bull on juices," proclaims John Maxwell. "The problem is the cost of the commodity," he explains.

He and others are firm in their conviction that fruit juice will be a market force for decades to come. Despite consumers' healthy leanings and industry packaging innovations, population trends are in the industry's favor. One of its biggest consumer segments is children. The Census Bureau projects that by 1990, the number of children under the age of five years will grow by 1 million little mouths; the 5-13 year age group will swell by 5 million by 1995. And on the other end of the spectrum, the number of elderly people — also a big part of the juice-drinking constituency — is steadily increasing.

> **Fruit juice will be a market force for decades to come.**

ORANGE JUICE

Orange juice: "That's the locomotive," says beverage consultant John Stacy. Indeed it is. According to National Panel Diary, 95% of all American households buy juice of some kind at least once a year and orange juice makes it into a whopping average 84% of those homes. And despite Florida Department of Citrus's 1970's ads that insisted "Orange juice isn't just for breakfast anymore," most of it — 88% — is still gulped down at breakfast.

In 1985, the Florida Department of Citrus shows, orange juice registered a record $3.1 billion in total revenues. According to the FDC, orange juice claims a 56% chunk of total pure juice sales. That's down quite a bit from a 65% share in 1980, due mainly to price fluctuations and increased competition from other juice categories (primarily apple) and juice drinks.

There's also something of a packaging war going on in this category. No doubt about it, chilled ready-to-serve orange juice is more convenient. That, coupled with the fact that its price has been falling, lessening its cost difference with frozen concentrate, have meant that it's catching up in sales. While frozen still holds the day with

THE TAMPA TRIBUNE
Rodeo
apped
Waiting in vain

On which side of the bay

Photo location courtesy Arthur Rutenberg Homes

is your bread buttered?

The Tampa Tribune serves appetizing demographics daily and Sunday. Your advertising profits from the Tribune's elegant presentation of the basic ingredients of sophisticated selling. The Tampa Bay market — Florida's number one market in terms of population, households and effective buying income, serves you prospects on a silver platter.

The Tampa Tribune's readership represents a gourmet palate to the astute media buyer, offering more 25-54 year old readers, more readers in top level occupations, more households with children, more new car buyers, home computer owners and more households with $50,000+ annual incomes than any daily newspaper combination in the market.

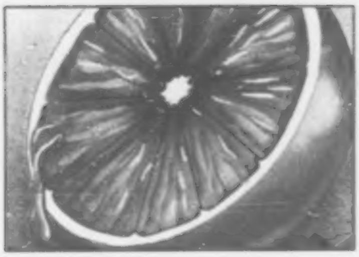
The upper crust of the Tampa Bay market reads The Tampa Tribune. Without it, your media strategy is only half-baked.

For a wealth of detailed market information, contact Joe Gess, Tampa Tribune General Advertising Manager, at (813) 272-7447, or contact your nearest Sawyer-Ferguson-Walker office.

THE TAMPA TRIBUNE

A Media General Newspaper
Member of the Gannett 4-Color Network

The Tampa Bay market consists of Hillsborough, Pasco, Hernando and Pinellas counties. Statistical sources: S&MM 1986 SURVEY OF BUYING POWER , Simmons-Scarborough National Newspaper Rating Study, 1985.



over 50% of orange juice sales, industry estimates predict r-t-s will outsell its rival in the near future.

Though sales of orange juice have, on the whole, remained stable for the last five to six years, sales of branded juices have ballooned. Minute Maid has lorded it over the OJ category, and its only other large-scale competitor, Tropicana, with the dominant market share for a number of years. But late in 1983, Procter & Gamble lit a fire under the OJ segment with the introduction of the third national brand, Citrus Hill. Competition has been bubbling ever since and ad expenditures, the likes of which this business has never seen, are becoming commonplace.

Before Citrus Hill rolled out, most orange juice advertising was done by the Florida Department of Citrus. The brands largely put money behind promotional efforts. In 1980, for instance, FDC spent $15.1 million on OJ ads, 55% of the total expenditures of $27.3 million, according to the organization. In 1985, total OJ dollars rose to $55.6 million, 58.6% of that coming from the three big brands alone and the FDC accounting for 32% .

In terms of total sales, Coca-Cola Foods' **Minute Maid** orange juice dominates the market with a 21% share. Its frozen variety, which is marketed in three forms (regular, Country Style with added orange particles and the sweeter reduced-acid variety) commands a 25% share of all frozen OJ sales, according to A.C. Nielsen Co. figures. Its ready-to-serve juice, sold in cartons, holds sway over nearly 17% of the refrigerator section sales. Coke doesn't market OJ in bottles, a segment with declining sales, but does sell Minute Maid in aseptic packages.

"We see the orange juice business as very dynamic and rapidly growing.

CITRUS HILL

P&G is under fire for this OJ ad.

When
you've been around
60 years,
people read
your Opinion.

The research data we have is simply showing everything going up,'' boasts John Youngjohn, Coke's director of marketing/orange juice strategy and business planning. His enthusiasm's backed up by a 4% sales rise for Minute Maid orange juice last year over 1984.

And he makes this claim despite what he acknowledges were five years of gains and losses for OJ that translated into an essentially flat growth pattern. ''The flatness was entirely supply-related,' he explains, referring to the Florida freezes that occurred during that time. ''Now that the supply problem seems to be behind us for the foreseeable future, things are looking real good.'' U.S. marketers have greatly increased their purchases and dependence on foreign orange crops, especially Brazil's, importing over 50% of the orange juice sold in the U.S.

The company, which is readying a second group of Minute Maid spots featuring actor Richard Thomas and his family, says a $12 million ad expenditure figure is ''in the ballpark'' for this year. At press time, the new campaign was scheduled to break in late summer or early fall. Thomas has been a spokesman for the brand since December 1984.

Coke vs. P&G: ". . . we have to defend ourselves against this kind of activity."

Media buys, says a company spokeswoman, are exclusively national tv, with no spot buys in the mix. Tv buys are made in day and evening prime time parts. The brand sponsors very few print ads; those that run are geared to special promotions, such as a back-to-school pitch, or tie-ins with other products. Outdoor buys are rare and the few radio spots run are also tied to special promotions.

Coke is also making waves in the OJ market with something other than the usual marketing techniques. This past July it filed suit against Procter & Gamble charging that a claim P&G makes in its tv ads is ''false and misleading.'' A line in the jingle for Citrus Hill orange juice says the juice is made from the ''heart of the orange''; Coke says that implies Citrus Hill is different from other OJ and that P&G discards part of the orange other companies don't.

''We have no intent to harm or damage any competitors in the marketplace,'' explains Youngjohn. ''But,'' he continues, ''if they run a commercial with statements that are inconsistent with the facts and the result of that is that they sell orange juice, then we have to defend ourselves against that kind of activity.''

According to a P&G spokesman, the company is not planning to stop using the 18-month-old Citrus Hill campaign.

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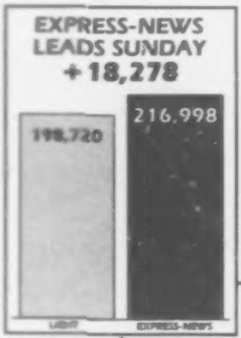
Latest Audit Bureau of Circulations (ABC) Audit Report verifies Express-News lead over the Light.


EXPRESS-NEWS LEADS SUNDAY
+18,278

EXPRESS-NEWS LEADS DAILY
+30,207

Audited figures just released from ABC for the twelve month period ending September 30, 1985, shows The Express-News to lead the Light by 30,207 copies daily and 18,278 copies on Sunday. We also lead the Light on Saturday by 7,590 copies or 166,184 to 158,594. Solid proof that the Express-News is the number one newspaper in San Antonio and South Texas.

SOURCE: ABC Audit Reports for Express-News and Light, 9-30-85. Calculations by Express-News Research Dept.

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Beatrice's **Tropicana** brand is given a 16% share of the total market by industry insiders. It does, however, rule the refrigerated section with a nearly 30% share.

Tropicana is marketed in glass containers and gable-top cartons. The brand also comes in a regular juice and "pure premium" form. The latter's marketing angle: It is not made from orange juice concentrate but is, according to the company, undiluted squeezed juice. The premium line is only sold east of the Mississippi River due to shipping limitations.

The company's ad pitches target roughly the same group of consumers not only the other orange juice marketers do, but the same group most juice marketers in general try to reach. Women, especially those in the 25 to 49 year-old range and those with young children, are by far the primary purchasers of juices. (The percentages are, however, more evenly split when it comes to drinking orange juice, kids and men holding their own in terms of actual consumption.)

The company's "Squeeze me a glass of Tropicana" slogan was retired about a year ago and a new campaign is set to launch soon. "Feel the freshness, it's pure Tropicana" is a slogan Beatrice thinks communicates this fresh-squeezed idea better.

According to Peter Reijula, Tropicana's marketing manager, ad expenditures will rise this year at least to match media price increases, maybe more. "We want to stay strong when the market is expanding," says Reijula. "It would be foolish not to defend our position." He says ad expenditures will total between $10 million and $20 million for 1986.

Media buys will be primarily spot tv in the morning news slots, a small amount of daytime, and evening news shows. Tropicana does some limited print buying: Sunday supplements, consumer magazines and trade publications. Tropicana also does a small amount of outdoor advertising.

Third-ranked **Citrus Hill** is credited with an 8% total share of the OJ market by industry observers. According to Nielsen figures, the P&G brand has a 6.9% share of the frozen category and 8.4% of the chilled (where it's sold in cartons). However, the breakdown of the brand's sales, says a spokesman, are 55% frozen, 45% chilled. P&G has opted for the strictly premium route with the brand, having replaced the original Citrus Hill regular with Citrus Hill Select as of July 1985.

According to P&G, advertising expenditures for 1986 exceed $15 million, quite a difference from the rumored $100 million spent on the national roll out in 1983. The ad themes have changed since then, too. Having dropped ads that featured the orange grower "Luke," the new campaign promises "Citrus Hill gets your juices flowing."

Women 25-49 with young children are the primary purchasers of juices.

Dollars are mostly channeled to television, both spot and network buys, and put into morning news, day and nighttime slots. The brand is strongly supported with couponing, but no straight print advertising is done.

Business Trends Analysts says P&G may be working on a 100% orange juice that is low in calories due to the elimination of natural fruit sugars.

APPLE JUICE

A lot of apple juice's consumer group can barely toddle, much less walk.

Though primary purchasers of the

LEAD STORY.

Here's one for the books. Mendelsohn reports that for every advertising dollar spent, HBR delivers more affluent executive, managerial and administrative adults than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.

Executive, Managerial, Administrative Adults Readers per $/4-color Source: MMR 1985 (1986 rates)

Harvard Business Review

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juice are women with young children (pediatricians often recommend it as a good drink for infants), 40% of it is gulped by kids under six years old, 12% by children between 7 and 12 years. No doubt the increasing number of births is one reason for the increase in apple juice sales.

Between 1977 and 1982, the size of the category doubled. In 1980, apple juice accounted for 11% of all juice volume sold. By 1985, that share had grown to 17%. Sales volume currently stands at about $1 billion. The recent growth was due to the jump in orange juice prices, the industry's relatively widespread use of aspetic packaging and apple juice's perceived health benefits.

Though the category's growth rate has slowed somewhat, it still shows about a 3% rise each year. Jim Follett, marketing manager/apple-based juices at Mott's USA, says more growth may be had from further packaging innovations, such as larger aseptics and plastic bottles. But, says Follett, "I don't think there's another aspetic [bonanza] down the road." He also says, "In the past [the industry] tried to grow the user universe by getting more adults to drink it, but I don't think that'll happen." Some adults, he says, don't like the sweetness, think the healthy-for-you claims are overstated and don't perceive it as a diet drink.

Tree Top Inc.'s director of marketing, Bonnie Peterson, acknowledges the leveling of sales but doesn't think they will decline. "This is not a fad. Our industry is at an all-time high and I think it will stay there."

She does, however, think the industry needs to increase marketing efforts. "There are not enough dollars directed at consumers. We need more advertising not only because of [intra-category] competition, but because consumers are confused about what's 100% juice and what's not," she says, referring to juice drinks. Follett also thinks more money needs to be put behind advertising. But, he notes, "We can't afford it. You have to spend about 80% of your money on the trade and the rest on promotions — there's no money left over for media."

As with orange juice, a large portion (31%) of households that buy apple juice tend to earn $40,000 plus. Unlike OJ, however, apple juice is a bigger seller with bigger households.

Though the apple juice category has its own national branded leaders, the "national" is hazier in this case because each brand has such distinct regional strengths.

TREE TOP YOUR MOB!

Tree Top: Trying to grow nationally.

Tree Top's brand leads the pack with a share the company puts at 20%, but observers cite as about 12%. The brand is strongest in the U.S. West.

To strengthen its presence in other markets, the company began advertising nationally on tv in 1984, the same year it launched a line of 100% juice blends. According to Bonnie Peterson, Tree Top is spending in the range of $3-to-$4 million on ads in 1986. Print buys are largely in the "Seven Sisters" women's service magazines. Television buys target women 25-44 years old and mainly consist of daytime slots. The "Tree Top your day" slogan has been used since 1984.

Cadbury-Schweppes subsidiary **Mott's** USA (formerly Duffy-Mott) is a strong seller in the North and Southeast, as well as the Midwest. The brand

SKY HIGH.

The one publication read by more affluent professional/managerial men in companies with more than 1,000 employees isn't Forbes or Fortune. It's HBR. If you want to reach the people at the top, reach for the Review.

Men, Professional/Managerial 1,000+ Employees
Readers per $/4-color Source: MMR 1985 (1986 rates)

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holds a 10% share of the apple juice market.

Though the brand is aiming to boost sales in the West, especially in California, it is doing no advertising currently and did very little last year. A budget of $2 million to $3 million for 1986 is going entirely towards free-standing inserts. According to Jim Follett, the company probably won't advertise the brand in the foreseeable future. "The role of advertising (for Mott's) at this stage is unclear."

Third-ranked **Seneca** brand, from S.S. Pierce Co., has an approximate 7% share, according to estimates. According to Leading National Advertisers the brand, which has strongest sales on the East Coast, spent under $2 million advertising it in 1985.

GRAPEFRUIT JUICE

Holding down a 5% share of juice volume, grapefruit juice marketers have witnessed something of a conundrum in terms of their product's consumption patterns. While overall consumption has declined slightly since 1980, the households that still buy grapefruit juice seem to be buying more of it, according to the Florida Department of Citrus. Grapefruit juice's tartness is something of a handicap. It's hard for the category to draw converts and once consumers stop drinking it, research shows they rarely start again. There is some speculation that the decline is due to reduced purchases on the part of the juice's nonwhite consumers. In 1985, of the 95% of U.S. households that buy juice, 27% buy grapefruit.

As of three years ago, private label grapefruit juice accounted for about 60% of the gallons sold. However, the presence of brands in general in the category is growing. According to one industry player, there are no truly national brands of grapefruit juice.

The top-selling brand, **Ocean Spray**, accounts for a nearly 30% market share. Though the company's name is what consumers usually associate it with — Ocean Spray Cranberries Inc. — it has been in the grapefruit juice business for nine years. According to Ocean Spray's manager of business operations, Kevin Murphy, the brand's rise to the top "is a Cinderella story."

Ocean Spray, says Murphy, followed that increasingly familiar and successful strategy in the juice market: It aimed to boost its juice above the commodity level. The company raised the price of its brand and, wisely, decided to market it in non-refrigerated bottles. Not only did the company avoid the trouble and expense of securing coveted shelf space in refrigerator cases, it was able to expand its already sizable presence on the dry-goods shelves.

Ocean Spray
Pink Grapefru
Juice Cockt

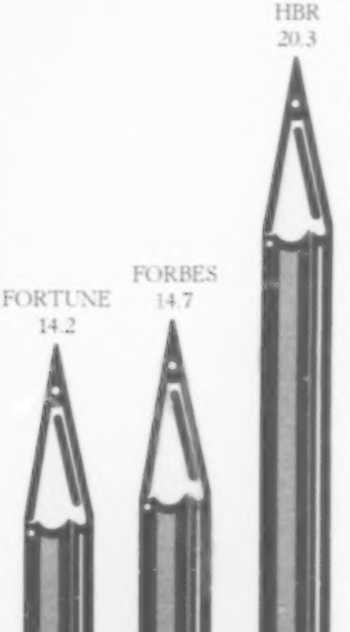
Ocean Spray: more than cranberries.

It also backed its grapefruit juice — yes, *grapefruit* juice — with advertising. It was a category in which, "no one was spending money against the consumer. We were hollering in a vacuum." Ad expenditures are currently in the neighborhood of $12 million for the brand, most of that going to spot television.

Though grapefruit juice consump-

TAKE NOTE.

Mendelsohn points out that for every advertising dollar, HBR delivers more affluent professional/managerial men aged 35-49 than Forbes or Fortune. If you want to reach the people at the top, reach for the Review.



Men, Professional/Managerial, Age 35-49
Readers per $/4-color Source: MMR 1985 (1986 rates)

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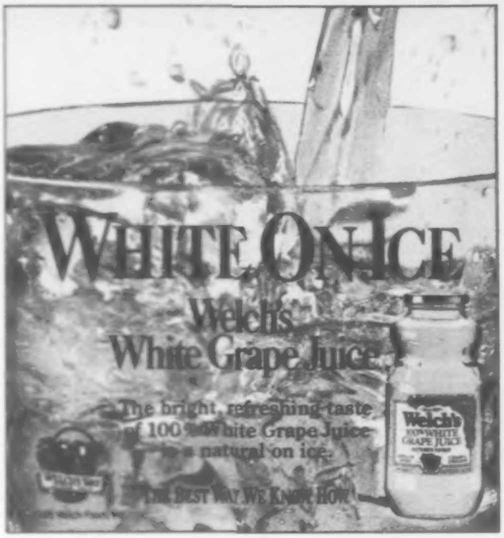
tion is 50/50 male-female, women are the target of the company's pitches. A large percentage of the tv buys is in daytime slots. And though Ocean Spray has achieved about 70% national distribution, it covers just about 60% of the country with tv spot buys. It puts less emphasis on the Northeast, where the brand is already strong.

According to Murphy, 75% of the advertising budget goes to tv, the rest to print and consumer-oriented promotions.

Tropicana and **Minute Maid** are gaining in strength in the grapefruit juice category, but both have limited distribution relative to Ocean Spray.


WHITE ON ICE
Welch's
White Grape Juice
The bright, refreshing taste of 100% White Grape Juice is a natural on ice.
THE BEST WAY WE KNOW HOW

Welch's owns the grape juice market.

GRAPE JUICE

Grape juice, a $145 million category also credited with a 5% share of juice sales in terms of volume, has long been a one-brand category, property of Welch Foods Inc. Its **Welch's** juice — in red, white and purple grape juice varieties—compete largely against private-label grape juices and non-citrus juices such as apple.

According to a Welch's spokesman, the category "showed good growth until about two years ago, when other juice products came onto the market." He refers mainly to the increased number of blended juice lines, one of which is a relatively new Welch line. In addition, price fluctuations in other juice categories tend to show up in sales of grape juice, it being the most expensive of the lot.

The spokesman says Leading National Advertiser's figure of $3 million for ad expenditures is "far too low." Media buys include some tv, both spot and national, in early news, daytime, prime time and late fringe. Magazine buys depend on the type of juice advertised but cover a range of publications, including the "Seven Sisters," *People* and more upscale books like *Bon Appetit*. Some radio buys are also made for the brand in addition to a good deal of run-of-press in newspapers.

PINEAPPLE JUICE

Pineapple juice's share of the juice industry is about 3%. Though it's been on the market for years, sales growth has been somewhat hampered by a couple of factors.

Until recently, pineapple juice has only been available in cans. Consumers tend to find them clunky and dislike the tinny taste they sometimes impart to the juice. (Glass-jar containers, common in other categories, have been slow in coming for pineapple juice due to certain shelf-stability problems. Currently being developed, glass jars may help the industry get away from metal cans, yet hold onto its grocery-shelf turf.) In addition, canned pineapple juice's extreme sweetness has had less and less appeal to diet-conscious consumers over time.

Though Minute Maid has marketed a frozen pineapple juice for a number of years, Castle & Cooke Foods' **Dole** recently got into the act with a version of its own. The marketing dollars it is putting behind its not-yet-national frozen juice, as well as the juice's less syrupy formula, may help boost sales

in this sector.

Though pineapple juice is essentially a two-brand category, Dole is credited with over 50% market share, giving it about a 2-to-1 lead over Nabisco Brands Inc.'s **Del Monte** line. Del Monte isn't doing any advertising currently.

Dole is putting most of its ad dollars — in the $3 million range for 1986 — behind its frozen line as well as its new gable-top ready-to-serve line. The company now has space on the "dry" shelves, but also in the freezer and refrigerator sections, too. The campaign aims to position pineapple juice as a breakfast drink competitive with orange juice. Perhaps to make the trial of the frozen form easier to get, Dole is also marketing pineapple-orange and pineapple-grapefruit blends. The company says the frozen's target users are more upscale than canned pineapple juice drinkers. Tv media buys will be all spot until the line goes national by the end of 1987. Print advertising, which began for the line this summer, is concentrated in the regional buys in the West.

JUICE BLENDS

Though 100% juice blends still only account for about 3% of sales in the industry, they've attracted a great deal of attention from marketers because of their near-instant popularity with consumers. Most large-size juice marketers have added at least of couple of blend items to their lines.

Firm statistics for the segment are hard to come by due to the newness of the category, highly regionalized nature of the business and fierce competition among its players. Nestle's **Juicy Juice** is considered by most to be the market leader with a 30% to 40% share. Second-ranked Tree Top, with its **Fruit 'n . . .** (orange, e.g.) line, holds a 15% to 20% share, followed by Welch's **Orchard Blend** juices with a 15% share, according to observers. **Juice Works,** from Campbell Soup, is credited with a 5%-8% share of the blend market. ■

Campbell's
JUICE WORKS
ORANGE
JUICE WORKS
JUICE WORKS
JUICE WORKS

Blends are a hit with both marketers and consumers.

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HANDLE WITH CARE

MERCHANDISING: ADDED VALUE

In the world of magazine publishing, business-to-business publications are the ones I know best. Today, they face increasing competition for their historical share of the advertising dollars spent to reach business and industrial customers. Before they succumb to the pressures of "going off the rate card," they ought to reposition themselves to aggressively sell their value-add services: information and merchandising. Both are unique to this print medium.

The need for advertisers and their agencies to better leverage their budgets has become essential. Four major factors drive that need:

1. Lower inflation and stiffer offshore competition have restricted or eliminated manufacturers' product price increases.

2. Media options have increased exponentially. It is now possible to reach business customers efficiently with cable, newsweeklies, regional magazines, targeted newspaper and telemarketing, as well as through network, spot and syndicated broadcast.

3. At the same time, the number of business-to-business publications has increased. The BPAA lists 1,201 audited publications in June 1986, up from 960 just three years ago.

4. Most advertising budgets have remained fairly constant in the same period.

The increasing number of in-house media departments, greater use of outside buying services and the consolidation of the number of agencies serving advertisers are testimony to the imperative to develop that leverage through greater critical mass.

Faced with this situation, business-to-business publications are being pressured to cut rates in order to retain the business. A better option has been available all along. It now needs to be perceived as added value, both by the publication and by the advertiser.

Information — Within the files of each publication, there exists a wealth of industry information. Circulation by name, title and function; industry history, sales, forecasts and trends; buyers, influencers; prior research and share of voice by competition are all there. Publications have it. Competitive media do not. Providing the information in usable form to advertisers can save them hours of time and great amounts of money. This information can add value enough to justify the rate card to a savvy marketer.

Merchandising — While most publications offer merchandising in exchange for advertising, the benefits are not communicated very well by their representatives. A more structured approach is needed. The publication's rep must take the time to understand the advertiser's objectives and strategies before offering merchandising tactics that contribute to the marketing plan. Printing of sales literature on available presses, special research, editorial consultation, speeches at sales meetings and space credits over and above the frequency discounts can all add value to the advertising purchase.

The old but obvious truth is today's imperative, whether for b-to-b or consumer publications. Provide better service to your customer than your competitor does and lowest cost no longer is the buyer's first consideration.

Karl E. Kaufmann is manager, corporate marketing communications/3M and immediate past chairman of Business Publications Audit.

OUR READERS TELL US . . .

Give the people what they want. An easy enough rule, but when it comes to merchandising, opinion is divided on how much and what kind of plans to offer. In fact, some say they don't want merchandising at all. Research USA, Chicago, went to our readers and collected a sample of their sentiments.

1. For which type of company do you work? (Base = 113)
   Ad agency: 64
   Product/services marketer: 49

2. Do you regard merchandising as a viable means of stretching the power of an advertising dollar?
   Yes: 95.6%
   No: 4.4%

3. Are you satisfied with the types of merchandising supports publishers currently offer?
   Yes: 19.5%
   No: 79.6% (no answer: 0.9%)

If "No," is it effective for you to put together your own merchandising campaign for the publisher to execute?
   Yes: 76.7%
   No: 22.2% (no answer: 1.1%)

4. What types of extra merchandising support need to be offered:
   a) More reprints of ads to be sent to suppliers: 30.1%
   b) Such tokens as key rings to boost company's sales forces: 15.9%
   c) Magazine co-sponsored trade shows and exhibitions: 43.4%

NOTHING'S FOR NOTHING

To paraphrase Ralph Waldo Emerson's classic essay "Compensation," there are no free lunches. And I'm reasonably confident that if Emerson were alive today he would caution advertisers that merchandising has its compensating costs — costs that are not only monetary, but also inefficient and potentially destructive to the magazine industry.

Typically, when the marketing and financial people of a publication are determining advertising rates, some of the key factors influencing their decision are CPM, rate base, production costs, overhead, editorial costs and sales costs. Added to the equation is estimated page production. If these departments are adept in their analysis and forecasting of these factors, an accurate income projection then becomes possible.

The magazine's finance department will generally consider merchandising a sales cost, and will probably allocate a specified percentage of ad sales as permissible. For example, a magazine producing $20 million in ad revenue might consider 1%-2%, or $200,000 to $400,000, as allowable. Now what happens when our enthusiastic marketing or sales department suggests a higher allowance, say 5%? All of a sudden the merchandising allowance has risen to $1 million, and profits have eroded by $600,000 ($1 million-$400,000).

To find the compensating revenue to relieve this shortfall, logic dictates a higher charge per page. This increased rate will come directly from the pockets of the advertiser.

Presumably, editors and publishers, respectively, are experts in producing a quality editorial product and in selling the advertiser on the merits of investing within this favorable psychographic and demographic environment to successfully pitch their product. Doesn't it make good sense for advertisers to spend their money where we know how best to apply it?

Before I proceed, allow me to state that I am not opposed to sensible merchandising. I believe that it can be productive and beneficial. For example, if a financial publication has a bank as an advertiser, I believe it totally appropriate for the magazine to offer a device which calculates future values of IRA's. This helps the bank attract new customers, and provides customers with a useful tool.

But when such tactics get out of control, the costs go beyond money and efficiency to threaten the magazine medium itself. Excessive merchandising is nothing more than blatant cutting of rates, perhaps the most important issue we will face in the next few years. It is dangerous because it allows those with the threat of inferior market positions to compete underhandedly behind the scenes on the basis of lower costs. The short-term solutions of our own constituency will harm us all. Many of us realize that to maintain the high quality products we have, we must also maintain our profit margins.

What then do we do when someone asks us, "What else can you offer me?" I suggest you do what a new friend of mine, a publisher of a large circulation magazine, does. He holds up his rate card and exclaims, "I offer you good value, at fair rates, in a quality publication!"

Kenneth D. Sgro, former vp/finance, was named president of Venture *magazine in December 1985.*

d) Point of purchase displays: 56.6%

e) Contests with prizes for the magazine readership: 33.6%

f) Contests with prizes for the company's sales force: 57.5%

5. Do merchandising programs benefit the publication more than the advertiser?
Yes: 34.5%
No: 49.6% (other: 15.9%)

6. Have rate increases reached the point where publications must offer more merchandising support?
Yes: 67.3%
No: 26.5% (other: 6.2%)

7. Is merchandising valuable enough to offset the dollars of a rate increase?
Yes: 15.9%
No: 81.4% (other: 2.7%)

8. Do ads get better response when sent out as reprints in a merchandising effort?
Yes: 43.4%
No: 38.9% (other: 17.7%)

9. Does merchandising create undue work for the agency?
Yes: 23.0%
No: 69.9% (other: 7.1%)

10. Is merchandising flexibility a criterion for picking magazines to put on your schedule?
Yes: 44.2%
No: 53.1% (other: 2.7%)

ECONOMIC EYE

By James B. Kobak

FOCUS ON BUSINESS MAGAZINES

In this special report, magazine consultant James Kobak shares his perspective on business publications and their ad rates.

There are about 270 more business magazine titles in Standard Rate & Data now than a year ago — 410 started and 140 deleted. In fact, this is the biggest gain in many years.

Advertising pages grew by some 2% in 1985 and are showing strength in the current year.

Advertising dollars grew at about 6% in 1985 and are expected to be as strong again this year.

Business magazine advertising prices rose some 7% in 1985. A similar increase is expected in 1986. Overall, ad rates have lagged behind the standard economic indexes (see "Rate Index" chart). Circulation prices continue to escalate, but income from circulation this year will be a smaller portion of the total than in the recent past.

Basic Data for Business Magazines
Selected Years

	1985	1984	1983	1982	1980	1970
Number	3,486	3,212	3,039	2,846	2,364	2,376
Advertising in major magazines						
Pages (thousands per year)	1,811	1,775	1,705	1,741	1,480	1,093
Dollars (millions per year)	$3,021	$2,850	$2,470	$2,328	$1,495	$836
Circulation per issue (millions)	72.0	72.0	72.0	71.5	66.8	62.3

Source: James B. Kobak

Business Magazines Advertising Rate Index

	Unit Rates	Cost per Thousand	Consumer Price Index	Circulation Price Index Yearly Subscription*
1970	100	100	100	100
1977	137	128	156	188
1978	141	132	168	209
1979	149	140	187	241
1980	157	148	212	276
1981	166	158	234	319
1982	181	172	249	351
1983	195	186	258	386
1984	211	201	269	405
1985	228	218	279	425
1986 (est.)				438
1970-1977 Increase	37%	28%	56%	88%
1977-1986	66	70	84	133

Source: James B. Kobak *Many business magazines have controlled circulation.

Consumer Magazine Ad Scoreboard

	Ad Pages June 1986	% change from June 1985	Dollars spent (000)	% change from June 1985	Ad Pages July 1986	% change from July 1985	Dollars spent (000)	% change from July 1985
Skin care, Creams, Lotions and Oils	101.34	+.6	2,553.6	−13.1	68.53	+13.6	1,921.9	+1.2
Lip and Eye Beauty Products	39.51	−39.2	1,714.5	−18.6	26.65	−55.8	910,547	−55.9
Scents and Fragrances	75.32	+19.3	2,361.6	+23.1	41.76	+2.5	1,031.2	−8.3
Facial Makeup Products	62.64	+8.6	2,483.4	+11.7	10.00	−41.2	490,721	+10.7
Prepared dinners and entrees (including pizza)	16.81	−29.4	885.9	−35.5	29.52	+21.2	1,219.2	+11.3
Liquor	472.57	+8.7	19,452.8	+15.4	255.68	+8.7	10,265.0	+9.5
Cigarettes	608.09	−4.9	34,109.0	−.7	440.55	−45.0	23,828.6	−37.5
Soaps and Detergents	68.84	+55.7	4,341.9	+68.8	53.50	+26.6	3,356.9	+30.1
Passenger Cars, Domestic	421.04	+13.5	21,640.9	+51.1	244.37	+20.0	11,598.2	−27.7
Passenger Cars, Imported	409.94	+10.0	18,842.5	+29.1	242.10	−13.4	11,235.9	−4.0

Source: Publishers Information Bureau as prepared by Leading National Advertisers

THE LAST WORD

by Sharaf N. Rehman

PROBLEM PRODUCTS AND TV

In the last 15 years, the advertising industry has grown at a 13% annual rate and total advertising revenues in 1986 are expected to exceed $110 billion. Roughly 2% of our GNP will be poured into advertising. Of this sum, $23.2 billion will go to tv advertising. Why? Because viewers find tv ads more believable than any other form of advertising. As a result, tv commercials cover a spectrum of products and services ranging from air-travel and autos to Zen philosophy and zootsuits.

Still, audience research from a decade ago had indicated that some viewers found ads for products and services such as feminine hygiene products, Preparation-H, early pregnancy tests (EPT) and contraceptives as offensive and embarrassing. Ten years ago, this might have been the case. However, a majority of the viewers today claim to be more tolerant of commercials for these so-called controversial products.

A recent study at Ogilvy Center for R&D tested some 73 prime time commercials and concludes that people who enjoy a commercial are twice as likely to be convinced that the advertised brand is best. Research has also indicated that commercials don't have to be charming to be effective. For instance, "Ring around the collar" and "Don't squeeze the Charmin" are proven examples of successful campaigns that, while effective, are certainly not likable commercials.

My recent research (with a sample of nearly 400) on attitudes of tv viewers towards ads for supposedly controversial products indicates that young urban viewers are a lot more accepting than is commonly believed. The viewers were shown some of the controversial tv ads and asked if these commercials were "embarrassing," "offensive," "informative or "tactful." They were also asked if these commercials should be removed from television. The acceptance for these products and services is presented above.

TABLE I

Acceptance for TV Ads for "Controversial" products:	Total 372 %	Females 180 %	Males 192 %
Medication for insomnia	86	86	85
Medication for nervous tension	86	88	83
Early pregnancy tests	79	79	79
Female undergarments	79	77	81
Medication for constipation	77	79	75
Medication for hemorrhoids	77	79	75
Feminine hygiene products	65	61	68
Medication for urinary infection	57	66	49
Alcoholic beverages	54	50	57
Check-ups for VD	51	57	45
Contraceptives for men	45	36	54
Contraceptives for women	44	36	56

Source: Sharaf N. Rehman

Findings: Women found feminine hygiene products' ads to be offensive and embarrassing when viewed in mixed company. More women reported that it was all right to advertise medication for urinary infection and check-ups for VD than men. Men were more in the favor of advertising contraceptive devices for men and women.

Younger subjects (21 years or younger) condoned the ads for feminine hygiene products, female undergarments, alcohol, EPT and medication for hemorrhoids and nervous tension. Young viewers said that ads for feminine hygiene products were informative. In addition to the above list, the over-21 viewers also approved of ads for VD check-ups.

Ten out of 12 products studied in this survey were seen as acceptable for advertising on television. The only two products that obtained a less than 50% acceptance were contraceptives for men and women.

Two suggestions can be made from the data in this study. 1. Since many viewers are embarrassed or offended by some of the commercials when viewed in the mixed company, it is suggested that attention be paid to the positioning of the commercials. For instance, commercials for female undergarments and feminine hygiene products might be better accepted when placed among programs that have more female viewers. 2. Since the pregnancy rate among teen-agers and youths is on the rise, it is not surprising to find acceptance for the ad for EPT by 79% of the viewers. However, only a little over 45% are willing to accept ads for contraceptives for men or women. It is felt that there is a lack of awareness among the youths about the contraceptive devices and their availability.

Hence, there is room (and need) for developing marketing strategies for advertising contraceptives on tv.

Sharaf N. Rehman is the department head of radio and television at West Texas State University.

MARKETING & MEDIA DECISIONS

OCTOBER 1986 • $3.00

REGAL IMPERIAL CARRO
BEECH-NUT STAGES 1
HEINZ
Instant Baby Food
Oatmeal
with Bananas & Apple Juice
JUST ADD WATER
NET WT. 1.5 OZ (43g)
STRAINED-VITAMIN C ADDED
PEARS
Gerber
JUNIOR-VITAMIN C ADDED
PEACHES
Gerber
STRAINED
CARROTS
Gerber

WHAT'S A BABY TO DO?

The Gerber baby is under siege by reenergized competitors. Has the market leader been caught napping?

BEYOND A TOBACCO AD BAN

MARKETING TO ASIAN AMERICA

NEWSPAPER AUDIENCE RESEARCH

MARKETING & MEDIA DECISIONS

COVER STORY

BABY FOOD GETS MESSY 62

Gerber Products Co. sounds pretty cranky when discussing its baby-food rivals, Heinz and Nestle SA. That's because they're making it seem as though Gerber's been sleeping too long. But Gerber is out to prove them wrong with marketing innovations and new advertising approaches.

FEATURES

OUTFOXING THE AD BAN 44

If you think it can't be done, think again. Tobacco and spirits advertisers don't like to consider what their world would be like after a ban. Some marketing experts say there are still plenty of other options.

LET'S NOT MAKE A DEAL 55

It's one thing when media buyers go to the reps to buy national spot tv. It's quite another when they go directly to the stations. Displeased reps are ready to go to court over this schism.

THE ASIAN PUZZLE 74

How do you solve a mystery like the Asian-American market? It may be growing, but it's still small. It may be important to certain upscale advertisers, but is also hard to reach.

AN ACE IN MEDIA BUYS 83

Levine, Huntley, Schmidt & Beaver Inc. may not be the only agency that believes it can turn up a royal flush in creative buying media. But here, LHS&B backs up the boast by sharing examples of how it interjects creativity into media planning and buying.

BACK TO SQUARE ONE 93

That's what several newspaper experts believe is the unfortunate result of the recent separation of Simmons Market Research Bureau and Scarborough Research Corp. Others say there may be subtle benefits in the split.

BRAND REPORT 136:
HOTEL AND MOTEL CHAINS 129

There are too many rooms left vacant already, but Sheraton, Marriott and Holiday Inns keep building. To turn on those no vacancy signs, the industry is turning to marketing.

DEPARTMENTS

LETTERS 4

One objection, two songs of praise and one heated defense get their hearing this month.

FREEZE FRAME 8

Yuletide greetings from the major players in home video take the form of big titles at small prices.

PRINT BEAT 17

Magazines are turning to the multi-year deal as it becomes a part of more books' rate cards.

DIRECT MARKETING 20

Ownership change at Gift-Pax, Inc. means new mothers may get to sample more than the typical diapers and baby food now distributed in hospitals.

UPDATE 22

Minority agencies assess their potential for a bigger piece of Defense ad budget. Lawsuits fly as research firms sell their own micro-computer services directly to media buyers. And Campbell's assesses its dry soups.

DEBUT 30

The show will go on! That's despite the bowing out of *People* magazine from a first-run syndicated tv show it was to produce with Walt Disney Co. There's more drama in daytime tv where Macfadden Publishing is confessing what it knows about love.

62

CREATIVE CONCEPTS 32

Francesco Scavullo, reverse psychology and rap music do not a music video make. Instead, they're one way of addressing such sensitive issues as teenage pregnancy. Several approaches are examined when the subject is sex.

M&MD FUTURES 36

A. Stephen Diamond, marketing vice president at The All American Gourmet Co., tells how Budget Gourmet took on the giants with only a $5 million ad budget.

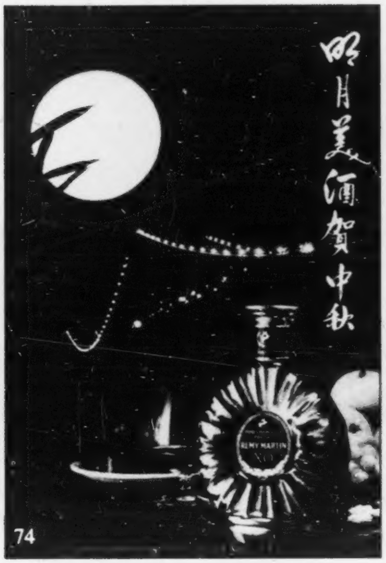
PRO FILES 38

Serenity helped to lure him, but Steve Auerbach is no retiree. He takes over as senior vp and director of network programing at Ally Gargano/MCA Advertising. And here's looking at those cosmopolitan "girls" behind Esquire's *New York Woman*.

October 1986, Vol. 21, No. 11

Cover photograph by Steven Begleiter

44



74

WELCOME
HBO

129

ECONOMIC EYE 152

National spot radio finds warm and cool spots in the marketing climate.

TOOLS OF THE TRADE 154

We don't always say what we mean. That's why Market Development Inc. has introduced a copy analysis service for Spanish-language advertisers.

BROADCAST BEAT 159

The networks have brightened at the prospect of North American Philip's $15 million light bulb buy.

ON THE DOCKET 162

Broadcasters go to Congress to bring harmony to the burdensome way of obtaining performance rights for music.

BOOKS, ETC. 166

Leonard Lodish's *The Advertising & Promotion Challenge* proposes it's sometimes best to be "vaguely right."

SALES PROMOTION 168

Sampling of products remains a viable promotion angle once you learn to get around the high costs involved.

THE LAST WORD 176

Robert Pitts of DePaul University writes about the effects of program content on advertising messages.

AS THEY SEE IT

MEDIOLOGY *Ed Papazian* 104

Somewhere over the rainbow isn't necessarily reached by the marriage of people meters and scanner data.

TELEVISION *Betsy Frank* 106

There's proof that VCR owners really don't have a hate affair with network tv programs.

MARKETING *Gerald J. Eilers* 110

It's ironic, but research is seen as the way to bring creativity to media.

NEWSPAPERS *Mari Campbell* 116

One score and not so long from now, newspapers will grow more competitive and begin offering advertisers lower rates and better circulation data.

MAGAZINES *Jean Connolly* 122

Merchandising allowances, circulation guarantees and premium positioning are suggested as ways to justify magazine rates.

PEOPLE METERS *Steve Singer* 124

The new measurement device offers many advantages over diaries.

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LETTERS

THE COSTS OF PUBLISHING

Mike Drexler is quoted in your August issue as saying ". . . Magazines haven't had any big increases in postal costs . . ." His statement was made in a sidebar to Rebecca Fannin's article, "Can Publishers Jump the Hurdles?" which is an exploration of intent to raise ad rates in 1987 by major magazines.

Mr. Drexler is obviously not aware of the second-class permit increases that we've had to absorb. Our rates have gone up by about 40% over a year ago, which, with our 1,750,000 circulation, adds up to a lot of bucks. The loss of in-county postage advantages has been the cause of most of our increase. I'm sure other magazines have suffered the same fate.

I will agree that paper prices have stabilized, but production costs continue to rise even though at a slower pace than recent years.

It is likely that we will limit rate increases to 5% or less and as far as we're concerned, that's a break-even trade of dollars.

I'm wondering if other magazines have also found disagreement with Mr. Drexler's opinions?

Barc Wade
Executive Editor,
Home & Away

A SUNNY NOTE

Just a note to compliment you on the fine article you did on the outdoor medium in *Marketing & Media Decisions'* August issue.

From our industry standpoint, and I believe from your readers' standpoint, you did an admirable job.

Bill Wilkins
President,
Institute of Outdoor Advertising

CORRECTION

In the August feature on media costs, the wrong chart ran under the heading of "The Top 10 Consumer Magazine Advertisers." The following is the correct breakout according to Publishers Information Bureau.

Top 10 Consumer Magazine Advertisers—1985

	(000)	Percentage gain/loss over 1984
Philip Morris Inc.	$215,003.0	+13%
R.J. Reynolds Industries Inc.	$164,137.8	−20%
Ford Motor Corp.	$114,708.0	+16%
General Motors Corp.	$104,059.6	+ 5%
Procter & Gamble Co.	$93,134.1	+42%
AT&T	$88,136.9	+10%
Chrysler Corp.	$72,672.4	+14%
CBS Inc.	$60,404.9	+27%
IBM	$52,534.6	−16%
Beatrice Companies Inc.	$43,483.5	+ 1%

Source: Publishers Information Bureau

MEDIA COST KUDOS

Obviously I read "Anything But Business as Usual" with great interest and want to congratulate you on a cogent, timely and accurate article including, of course, the sidebar.

Of equal quality and clarity was your article "A Clash Over How Much is Too Much?"

In fact the entire issue was fascinating to those of us who are in the media business, so congratulations are in order all around, to Fred, Carol, Marianne, Alan, Rebecca, Les, Carl and Jerrold, for a saver issue.

Karl E. Kaufmann
Manager,
Corporate Marketing Communications
Staff Marketing Services
3M

ARBITRON ASSERTS ITSELF

In the spirit of "competition is healthy," I was delighted to see your article on Bill Livek of Birch Radio in your August issue.

Once I read it, of course, my feelings changed. A profile is not a forum for an attack on a former employer.

Arbitron has certainly not forgotten its roots in radio, nor do we treat it as a second cousin. Arbitron radio is as strong as ever. In the last year we have introduced a variety of new radio products and services and have gained clients both on the agency and station side. Without us, it is doubtful Birch Radio would survive in its present form.

Nan B. Myers
Press Relations Specialist,
Arbitron Ratings

Sponsorship of regional events, perhaps an ethnic food festival, have been used effectively, and these would become more important. You could sponsor everything from concerts to charitable fund-raisers and art exhibits.

Getting the brand displayed in movies and tv would be another way to build the image. For example, you could show Chivas Regal being consumed at a trendy party.

You could also create "heavy users" clubs. They would be built upon the "green stamp" concept, where purchases are stimulated by collections of stamps that can be traded in for gifts.

Then, you would probably want to get more involved with licensing. For instance, if you were California Cooler, you might have swimsuits or sunglasses that reflect the surf scene.

To create a positive impression, you might want to sponsor surveys on trends. For instance, there could be the Marlboro lifestyle study on divorce, baby boomers, or whatever. You could look into sponsorship of direct mail programs that encourage people to go out and vote. Or you might initiate programs that are geared to stopping smoking or drinking. That would be good public relations.

In a reader poll, 84.1% feel the tobacco debate will set the stage for further legislation.

Then, you might also look at new methods of distribution. To get your brands better positioning, you could sell them in kiosks placed at high-traffic locations, like shopping malls, bus terminals or airports. But you would have to have something that would draw them into the store, like perhaps a newsletter or magazine. You could sell competitive brands if you wanted to, but you would give better display to your own brands.

OUR READERS TELL US . . .

The national trend, both in advertising and towards the media, is towards restriction. The public seems to support a tighter rein both on the what products are advertised and how, and what media are available and to whom. Research USA in Chicago went to a sampling of readers at agency media departments to get their reactions to this new attitude. (Base: 126)

1. Do you think there will be a total ban on tobacco advertising enacted in 1987?

Yes 15.1% No 81.7%
Don't know/no answer 3.2%

2. Do you support such a ban?

Yes 34.1% No 64.3%
Don't know/no answer 1.6%

3. Do you foresee the tobacco debate setting the stage for other restrictive legislation regarding advertising?

Yes 84.1% No 15.9%

4. If "yes," which categories do you think are likely targets for such actions? (Base: 106)

Beer and wine	70.8%
Liquor	93.4%
Over-the-counter drugs	14.2%
Contraceptives	30.2%
Children's advertising	28.3%
Other	2.8%

5. Recently, some retail outlets have taken *Playboy* and *Penthouse* off their racks, seriously cutting into their newsstand sales. Other magazines, like the rock music press, are experiencing similar distribution problems.

Do you see this trend continuing?

Yes 76.2% No 23.8%

6. Would you adjust a print schedule to avoid placing a client in a controversial publication that otherwise meets your target criteria?

Yes 60.4% No 32.5%
Don't know/no answer 7.1%

Richard Gerstman, *principal, Gerstman & Meyers Inc., a package design firm.*

The package would have to carry the advertising impression to the shelf. Instead of brand emphasis on the packages, you could have lifestyle swatches blistered on the packs. The pack would have to communicate flavors, target the consumer and possibly even give directions on how to smoke.

Liquor advertising relies to a large degree on imagery, less so on quality or taste. What I'm saying is that often the imagery justifies the pricing differential. Because you would have a tough time reinforcing price points for the premium brands, you would have to go to a premium packaging, like an overwrap. Right now, the packaging of high- and low-priced scotch is not much different.

Chester Kane, *partner with Kane, Bortree & Associates, Inc., a new product shop.*

Brands with a stronger identity to begin with would do better. The Marlboro image would last longer than a low-tar story like a Carlton. And premium brands that might be able to retain that identity longer might also benefit.

In comparison to the tobacco advertisers, the distilled liquor marketers are weaker in impressions and awareness. They spend less, far less on advertising than tobacco companies.

But you could still make a statement even without advertising by having the name of the product tell the story. That's where you have the meat.

You might also want to consider selling small sample sizes of the product, like a few cigarettes for a quarter. Or you could cut the price of the product itself.

Certain brands have been built without advertising, but it is a slow build. To get into the big time, you would have to do broad-scale promotion. Licensing would be a good avenue to explore.

You want to know what the ideal would be? It would be product improvement. Perhaps a non-carcinogenic cigarette that would satisfy smokers' requisites. I mean, look at the development of NutraSweet after cyclamates were banned. ■

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TELEVISION

by Betsy Frank
Vice president, associate media research director, DFS-Dorland Worldwide

WHEN VCR MEETS NBC

When the networks have a good year, there are implications beyond program ratings and shares.

By all accounts, 1985-86 was the season the networks proved their critics wrong, the year they maintained their share of viewing and halted a precipitous seven-year audience slice.

But recent research also suggests that a good year for the networks has an impact on when, how and how much Americans use their video cassette recorders. For instance, while the three networks' prime share of *viewing* last season was about 75%, their share of *recording* was closer to 80%!

We compared published meter-based Nielsen data for 1985-86 with 1984-85. As of July 1986, VCR penetration based on installed NTI sample households was 29.1%, still below most estimates, but closing the gap. So while Nielsen data showing the impact of VCR's on a national basis continues to be understated, we feel more confident using it now than in the past.

Here are some highlights from our analysis:

- The number of minutes of recording was essentially unchanged from a year ago.

During 1985-86, VCR homes recorded an average of three hours per week, with the high point achieved during the fall and winter (original season), and dropping off in the spring and summer.

- Prime time, however, accounted for a larger share of recording than a year ago.

During 1985-86, probably as a result of the generally positive viewer reaction to network programing, the prime time share of recording increased significantly:

VCR Recording in Primetime

1984-85	1985-86	
38%	44%	+16%

Source: Nielsen

- More recording was done while viewing the same channel, and less was done with the set off.

During 1985-86, VCR owners found programing that was worth both viewing *and* recording, since one-third of all recording was done while viewing the same channel (versus one-fourth during 1984-85), and recording with the set turned off was down to half:

VCR Recording by Set Status

	Set Off	Set On	
		Different Ch.	Same Ch.
1984-85	60%	16%	24%
1985-86	50	17	33

Source: Nielsen

So far, then, everything suggests that Americans found not only more to view in prime time this year, but more to tape as well. Here's the clincher:

- Recording to the networks was up almost 20% over a year ago.

During 1985-86, the networks were being recorded over 70% of the time, versus 60% the prior season.

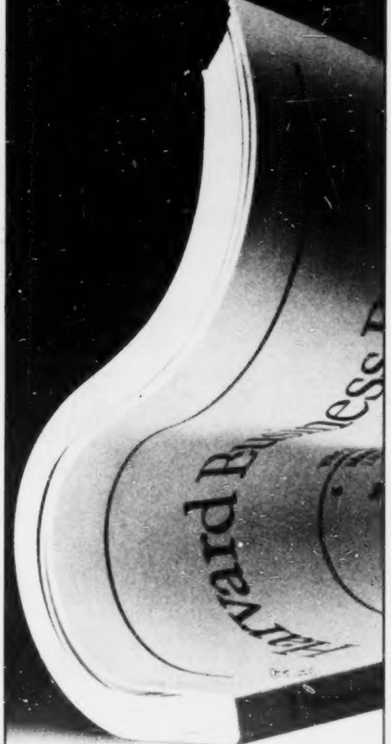
24 Hour VCR Recording to Networks

1984-85	1985-86	
61%	72%	+18%

Source: Nielsen

And in prime time, the network share of recording was even higher:

DEEP IN THOUGHT.



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75%, up from 67% in 1984-85.

Need some more evidence?

- Night-of-the-week recording activity continued to follow network scheduling patterns.

Not surpisingly, Sunday was still the heaviest recording night, with all three networks broadcasting made-for-tv movies or kicking off a mini-series, and the pay networks often premiering their own blockbusters.

Share of Recording by Night of Week

	1984-85	1985-86
Mon.	11%	11%
Tues.	12	12
Wed.	12	12
Thurs.	10	10
Fri.	15	17
Sat.	23	21
Sun.	17	17

Source: Nielsen

- VCR recording of network programs was correlated to programing perceived as "special."

On average, approximately .1 to .2 of a prime or daytime program ratings came from homes recording with the set off or viewing a different channel. But according to NTI's "Special VCR Analysis," the programs with the most recording activity were usually so-called "special events," which were often scheduled opposite other "special events," especially during the all-important sweeps months.

However widespread VCR's and cable are, net tv still sets the pace.

During the fall and winter, between 60% and 80% of all prime time program ratings contained some VCR contribution. The peak was in February, when almost four-fifths showed some contribution, and 8% showed recording accounting for more than half a rating point. But since the end of the original season, well over half of all programs showed no contribution of recording to their ratings, and only Liberty Weekend coverage included a significant contribution.

Percent of Total Programs VCR Contribution (AA%)

	0	.1-.5	.6-1.0	1.1+
Oct. 85	41%	57%	2%	–
Nov.	30	66	4	–
Dec.	32	66	2	–
Jan. 86	26	70	4	–
Feb.	22	70	7	1%
March	27	70	3	–
April	32	64	4	–
May	36	60	4	–
June	56	44	–	–
July	53	46	1	–

Source: Nielsen

Clearly, Nielsen has been able to provide us with fairly complete data on VCR recording. But even the limited data available on play activity suggests that this function has also been affected by a successful network season. For example:

- Play activity was up by almost one half-hour over 1984-85.

The average VCR home played tapes — either pre-recorded, recorded with a camera, or recorded off-air — an average of 280 minutes a week during 1985-86, an increase of 23 minutes over the previous year. During February, in fact, play was up by one full hour, perhaps reflecting playback of those network movies and mini-series recorded that month.

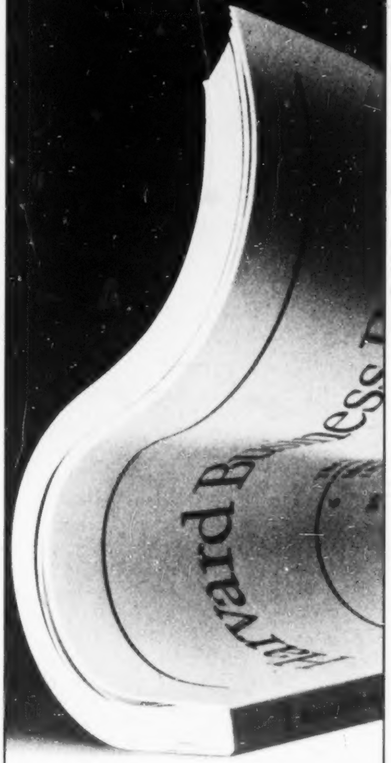
- Prime time play activity was more likely during repeat season.

Prime time accounted for one quarter of all play activity on average, but dropped to about one-fifth during the fall and winter, and approached one-third in spring and summer. Again, this points to more attractive viewing alternatives during the original season.

- Night-of-the-week play activity also followed network scheduling patterns.

Saturday received the highest share of play activity, which paralleled low HUT levels and low network shares. Thursday, with its strong NBC lineup, got the least play activity.

COMMAND POST.



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Share of Recording by Night of Week

	1984-85	1985-86
Mon.	15%	15%
Tues.	11	13
Wed.	13	13
Thurs.	13	15
Fri.	15	11
Sat.	9	10
Sun.	24	23

Source: Nielsen

Where does this leave us?

As VCR ownership has increased, as the metered sample has approached reality, and as Nielsen has published more in-depth reports, our knowledge of VCR user patterns has continued to grow.

But remember that in any consideration of the impact of a "new medium" or "new technology":

1) Do not underestimate the "old medium."

For 40 years, the broadcast networks have successfully programed to mass audiences. Today, when cable networks need to increase their ratings, they turn most often to comedy series, often off-network. VCR ownership, like cable subscribership, does not result in a rejection of network tv.

2) The word "new" can be seductive.

In the late 70's and early 80's, many were predicting a cable dial resembling a special interest magazine rack. Who would have imagined *Riptide* on U.S.A., *Buffalo Bill* on Arts & Entertainment, or *The Monkees* on MTV?

3) There are other variables.

Pay tv has had a difficult year, with subscribership flat, ratings down and complaints about inferior and duplicated product. With less recording outside of pay (despite industry promotion), did the networks merely pick up the slack, or was better network programing part of the pay tv problem?

Comparing the season just past to the one before us reminds us that however widespread video cassette recorders — or cable — may be, and however much control they are providing the viewer, network tv, for the time being, still seems to be setting the pace in television viewing and set usage. ■

MARKETING

by Gerald Eilers

Director of marketing services, Isidore & Paulson, Inc.

SNUFFING OUT THE MEDIA BLUES

Recently an old friend reminded me (gently, of course) that advertising agencies are paid by their clients to supply strategically sound, imaginative ideas to foster sales growth. We at the agencies are supposed to be "idea guys" — and that means *all* of us — whether we work in creative, account management or media.

Then my friend told me how a travel destination creatively used his publication to achieve spectacular results. From one multi-page insert, the client had received 14,000 responses in a week and as many as 7,000 in one day! I felt sheepish because for months I wanted my client to test the very same concept. Yet I never costed it out for them because they thought they couldn't afford it. (As you read this, I will have figured out the cost, and my client will have decided to act on it or not.)

Multi-page inserts are an especially effective means of selling several items in a broad product line or presenting different facets of a complicated product story line that can't be done in a single page or spread. Costly? Yes. Effective? A very *definite* yes.

All of this is a roundabout way of talking about agency complacency. The books we used last year worked,

BRAND REPORT

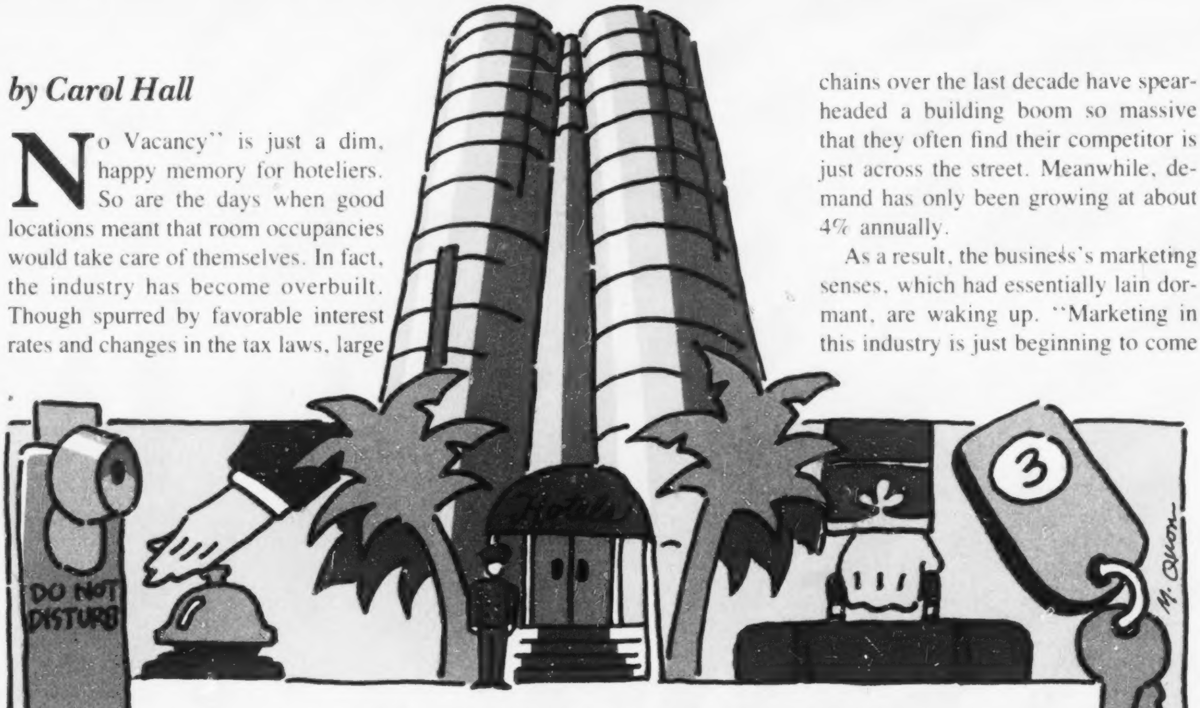
No. 137: Hotel and Motel Chains

ROOM SERVICE

by Carol Hall

"No Vacancy" is just a dim, happy memory for hoteliers. So are the days when good locations meant that room occupancies would take care of themselves. In fact, the industry has become overbuilt. Though spurred by favorable interest rates and changes in the tax laws, large chains over the last decade have spearheaded a building boom so massive that they often find their competitor is just across the street. Meanwhile, demand has only been growing at about 4% annually.

As a result, the business's marketing senses, which had essentially lain dormant, are waking up. "Marketing in this industry is just beginning to come



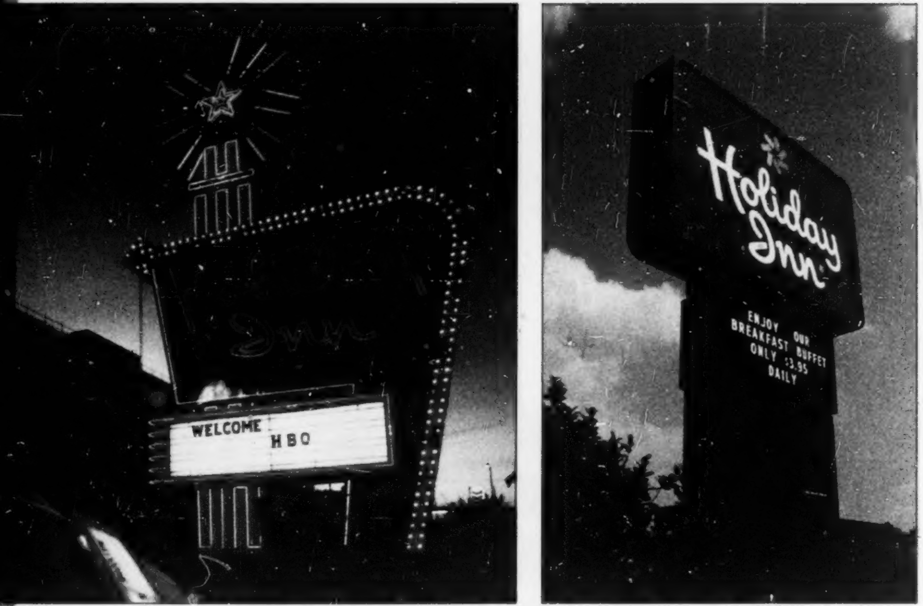
Hotel Chains Media Expenditures for 1985 (000)

COMPANY	TOTAL	MAGS	NET TV	SPOT TV	SUNDAY MAGS	CABLE TV	NET RADIO	OUTDOOR
BEST WESTERN	$3,788.4	$1,332.9	–	$217.1	–	$520.8	$818.2	$899.4
DAYS INNS	1,644.5	66.2	–	6.0	–	–	497.5	1,074.8
HILTON	18,287.3	8,826.5	4,929.5	2,584.7	173.9	124.3	–	1,648.1
HOLIDAY INNS	14,367.9	7,015.5	–	1,948.3	493.6	3.6	1,122.5	3,784.4
HOWARD JOHNSON*	4,224.4	65.9	2,472.0	68.9	–	74.3	–	1,543.3
MARRIOTT	2,632.2	897.1	–	976.3	396.6	0.2	–	362.0
MOTEL 6	246.4	5.8	–	–	–	–	–	240.6
PRIME	53.0	31.0	–	–	–	–	–	22.0
RAMADA	6,065.5	1,721.4	2,314.3	280.3	119.6	100.0	–	1,529.4
QUALITY INNS	1.1	1.1	–	–	–	–	–	–
SHERATON	8,325.9	4,469.4	1,152.1	850.8	78.3	67.6	529.9	1,177.8

* In 1985, Howard Johnson was purchased by Marriott Corp. from Imperial Group PLC of London. Marriott subsequently sold pieces of the chain to Prime Motor Inns.

Source: Leading National Advertisers; Newspaper expenditures are not broken out by company. According to Media Records, the Lodging industry spent a total of $189,451,000 on newspaper advertising.

MIKE QUON



Holiday Inns is attempting to update its image. To wit: out went the familiar neon (left), in came a more modern look (right).

of age," proclaims Roger Dow, vice president of marketing at Marriott Corp. "Marketing for many hotel companies still means direct sales. With the emergence of the large hotel chains, the industry is just beginning to focus in on modern marketing techniques."

The lodging industry has undergone enormous change. The 1940's had its mom-and-pop roadside establishments and the 1950's, its loosely banded hotel groups. Then, in the 1960's, when family vacations by car were becoming increasingly popular, the chains that are so dominant today took root.

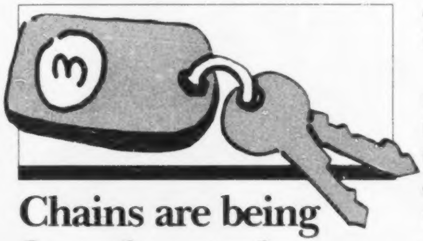
The lodging industry, according to Mike DeLuca, editor of *Hotel & Motel Management* magazine, has grown to a $43.1 billion industry, up from $41.4 billion in 1985. According to Smith Travel Research, there will be more than three million rooms available by 1990, up from the current total of nearly 2.7 million. That 300,000 extra rooms is akin to the launching of a dominant hotel chain.

With demand relatively flat at 600 million rooms per year, this will mean big problems for some hotels and motels. Chains are being forced to try to steal share, and that means more retail and promotion-oriented marketing, and less image advertising in the increasing competition for "heads in beds." The industry's average occupancy rate hovers dangerously around the 65% level, the same point experts say a hotel has to meet to make a profit.

Lower occupancy rates translate into an especially bitter pill. Once a night passes and a room remains unoccupied, there's no making up the loss with sales or mark downs. "The hotel business is extremely retail oriented. Its product has no shelf life," points out Sheraton Corp.'s Robert Quinn, vice president/director of advertising.

The modern hotel industry also has adopted market segmentation, both by price and customer type, in a big way. While some in the industry have broken down the market into as many as 18 segments, according to DeLuca, most recognize three main categories: the economy segment with rooms for $40 a night and below; the mid-priced range with rooms at $40 to $80 per night; and the luxury class, those charging more than $80 nightly.

The luxury segment, with properties usually located in metropolitan areas, is usually pointed to as the most overbuilt. But everyone agrees that each group is glutted. A survival-of-the-fittest shakeout is predicted for each segment, and a wave of mergers and acquisitions is already underway.



Chains are being forced to steal share — that means more promotions, less image advertising.

An important new type of lodging found in all price segments is the all-suite hotel. It features a bedroom, small kitchen and living room. In addition, the spa hotel, featuring a full array of exercise facilities, will become more important, lodging observers say.

Many fear so much segmentation will cause consumer confusion. "Right now all the hotels are getting into everything," exclaims Steve Stark, assistant editor at *Business Travel News*. "It's getting so cloudy, it's hard to tell who's in which segment." But others point out that consumers themselves are already segmented: People simply need different types of lodgings at different times.

Customers have been grouped and marketed to in every possible way. Senior citizens, with their growing propensity to travel and expanding pool of disposable income, are a favorite target of the major chains. So are women business travelers, a group that already accounts for a third of corporate guests. And as business travelers, male and female, make up the bulk of the industry's guest lists, hotels have had to offer special weekend-rate packages to fill beds during off times.

What follows is a look at the advertising and marketing efforts of the ten largest chains. Market leadership has been based on a chain's domestic room count, totaled by Laventhol and Horwath, an accounting firm that focuses on the lodging industry. (Note: Newspaper ad expenditures for individual chains are not available. See chart.)

HOLIDAY CORP.

Holiday Corp. dominates the domestic hotel business with its 266,927 rooms. The company has taken the segmentation strategy to heart and, with

After the rat race, you deserve
to enjoy The Suite Life.
Two rooms for the price of one
Free breakfast and cocktails. Every day.
Extra rooms. Extraordinary value.
EMBASSY
SUITES
HOTELS
1-800-EMBASSY

Embassy doesn't just advertise to the still-young all-suite market.

its numerous divisions, has a lodging line for nearly every price segment. "Holiday runs itself like General Motors," explains Stephen Brenner, a hotel consultant. "They have separate divisions like GM has Cadillac, Buick and Chevrolet."

The largest division is **Holiday Inns,** familiar to anyone who has ever driven on America's interstate highway system. Though the chain has extremely high brand awareness, management has recognized Holiday Inns can't rest on its reputation. Indeed, many travelers had been drawn away from Holiday Inns as they were lured from highway travel to discounted air travel. One way the chain is trying to beckon them back is by replacing its "frankly dated" pink and green neon signs with re-designed ones, says Ray Lewis, vice president of systems marketing.

As with the industry in general, the largest portion of Holiday's customers are business travelers. But Holiday Inns, nonetheless, was recently forced to drop a discount promotion program for business travelers. It lost its effectiveness as more and more lodging companies offered it, says Lewis. Others, however, say the company found it too costly.

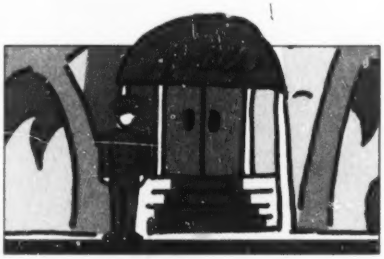
Holiday is one of the few lodging chains that advertises to the black market. Its black guests fall mostly into the business traveler category, says Lewis, adding that for leisure travel, blacks tend to stay at more upscale lodgings. The company's ads pitched at this market run only in *Black Enterprise*.

Older people and female business travelers also receive marketing attention from the company. The 55 year-old-and-over market is pitched to with the Travel Venture Club, a promotion that offers room discounts as well as special deals in restaurants. And with women accounting for 25% of all the industry's room nights and one-third of its business guests, Holiday plans to launch advertising and a promotional program aimed at women later this year.

For the Holiday Inns chain, ads for the first part of 1986 were image-oriented, but since April, have shifted to price promotion ads. Print buys for the year cover a wide range and include *Time, Newsweek, National Geographic, Reader's Digest, Business Week, People* and *USA Today*.

With "Holiday Inns Hospitality Promise" serving as its advertising banner, the company is buying into network television this year to the tune of $7 million to $8 million, according to Lewis. Buys include the Super Bowl and other sports features and prime time shows such as *Moonlighting* and *Cheers*. Spot buys include early and late news shows as well as some fringe buys. Radio buys are made, says Lewis, in the top 50 markets.

In addition, Holiday Inns receives advertising support from the division level, where it is grouped with another chain, **Crowne Plaza,** a four-year-old property with 50 hotels. The division supports both chains with $25 million in advertising and marketing this year. In addition, both can take advantage of a corporate promotion, which features discounts of over 50% on room rates to weekend guests.



Holiday Inns: "They have separate divisions like GM has Cadillac, Buick and Chevrolet."

A typical hotel room
is no way to treat the people
you're moving.
RESIDENCE INN

Nearly every move comes with its share of logistical and emotional headaches. Aggravated, in many cases, by the problem of what to do about temporary housing.

The permanent solution is, of course, The Residence Inn. You see, our one-bedroom studio and two-bedroom penthouse suites are roomy. Comfortable. Fully equipped and fully furnished. Best of all, they're affordable. A bargain with our sliding rate scale. So call us at 1-800-331-3131. And don't make another move without us.

As close to home as we can make it.

Another segment manifests itself: "residential-style" suites.

While Holiday Inns is positioned squarely in the mid-price segment, the Crowne Plaza chain puts itself at the upper end of the mid-priced range. It largely targets the business traveler who wants the extras and offers, for example, two restaurants per facility. The corporation sees Crowne Plazas, found in major metropolitan locations, as a vehicle for strengthening its position in cities.

Advertising for the Crowne chain has basically been aimed to stimulate trial and has used direct mail to a large degree. The company has run some print ads for the chain in consumer business books such as *Forbes, Fortune* and *Business Week*, as well as in various in-flight magazines and the *Wall Street Journal*.

Holiday Corp. also franchises and owns a number of other chains. Its entry in the all-suites category is **Embassy Suites.** Established in 1983, the more than 14,000 suite, or unit, chain does not advertise against the all-suite market, arguing that it is still too small a segment to focus on. Instead Embassy, with it suites priced between $60 and $130, positions itself against the more upscale hotels.

Because 70% of its clientele is business travelers, Embassy offers most of the amenities more traditional hotels do: meeting rooms, restaurants, cocktail lounges and even saunas. Indeed, their 1985 campaign, strictly print, was a comparative pitch that asked "Why stay at a Marriott . . .?"

Embassy also went into tv last January, running a flight through that month, and running another flight in May. Buys included the Super Bowl, the Kentucky Derby, *Wide World of Sports* and early morning news shows. Embassy's budget, which covers advertising, public relations and promotions, is more than $6 million for 1986.

Holiday Corp.'s offering to the budget-minded market is **Hampton Inn.** Though the two-year-old chain is only about 9,600 rooms, it plans to launch at least 60 properties a year for the next few years.

Hampton, with rooms that go for an average of $35 a night, began advertising last May, with its introductory pitches running in *USA Today*. After a summer hiatus, advertising will resume this fall in the same publication. The ads are a co-op effort with American Express, which will use the pitch to tell travelers that Hamptons are a new place to use their plastic.

While a lot of the chain's marketing dollars have been used to set up its reservations system, fund its public relations efforts and pay for appearances at trade shows, money has also been spent on billboard ads. As is the case with many chains, Hampton Inn has an advertising fund created by money kicked in by its franchisees, who together make up about 90% of the chain. However, franchisees also spend their own dollars to advertising in their respective regions.

Another Holiday Corp. chain is **Residence Inn** Co., a 9,714 suite chain of "residential-style" suites. The facilities cater to the extended-stay segment whose average booking is 12.9 nights (the industry average is 2.5 nights). The segment, says the company, still only represents about 5% of the market.

Priced, on average, at $60 to $70 per night, the Resident Inn idea takes the all-suite concept a step further. Room rates are structured so the longer a guest stays, the cheaper nightly rates become. In addition, while most suites feature what are basically small gallies, Residences have fully equipped kitchens stocked with sets of china, coffee makers, even popcorn poppers.

Residential-style suites, a step beyond all-suites, account for only about 5% of the market.

No mass media is used. Print buys focus on vertical publications, in-flight magazines and local newspapers.

BEST WESTERN INT'L

At Best Western International Inc., a 40-year-old chain, "We've been in a more aggressive posture since 1980," claims Malcolm Sills, director

The Kiwanis Magazine Readers
Business Executives . . . Professionals . . . Community Leaders

Now You Can Meet Them Head On Through The

KIWANIS MAGAZINE SPEAKERS BUREAU

Kiwanis magazine now offers, as a merchandising service to advertisers, access to our readers in the best possible environment — face-to-face, where it counts the most — their own communities.

Your national marketing staff, public relations personnel or others are invited to avail themselves as guest speakers at Kiwanis' community meetings as a complement to advertisements in Kiwanis magazine.

Join Our Charter Participants . . . U.S. Postal Service . . . American Bankers Association . . . American Council of Life Insurance . . . Conoco Inc. . . . American Medical International . . . AMICARE . . . Chang Laboratories, Inc. . . . Endless Vacation Travel . . . Citizens Against Government Waste . . . in presenting valuable programs on financial planning, travel tips, trends & developments in business, whatever your field of expertise.

We Ask Only

1) That there be no solicitation of members as part of any presentation
2) That presentations and programs be provided at no charge to either Kiwanis International or its participating clubs

Take Advantage Of A Unique Opportunity

Pass your or your organization's message on to our members — Personally

Call or write today for more information
Pat Hatcher, Advertising Director
Kiwanis Magazine
3636 Woodview Trace
Indianapolis, IN 46268
(317) 875-8755

of advertising. "We used to be able to rely on our locations, our directories and signs."

With 65% of its domestic properties in "roadside" locations, the chain has also had to wake up to the fact that it can no longer rely on car travel to fill rooms (although the bulk of Best Western's business still comes from "walk-ins"). The chain, with 164,701 rooms domestically, according to Laventhol & Horwath, is largely positioned as a mid-priced lodging. It does, however, have some more upscale properties in a number of metropolitan areas and some resort hotels.

The chain's primary target is the empty-nesters, those older than 45. In addition to a frequent guest promotional program that tosses a U.S. savings bond into the deal, the chain runs two programs aimed at its primary audience. One offers discounts to senior citizens and another cuts room rates for members of the American Legion. Chain-wide, the clientele is about 50% business traveler, 50% leisure.

Best Western is set up as a franchise operation. Franchisees contribute money for company-wide advertising, which this year should total $7.1 million, according to Sills. The 1987 allotment is $7.8 million. But the franchisees also do local advertising, which Sills terms as "critical."

What is a Best Western?
"The place to stay wherever you travel, almost."
Best Western
INDEPENDENT WORLDWIDE HOTELS
The right place at the right price.
Make reservations at any Best Western, see your travel agent, or call
1-800-528-1234

Best Western uses a barter firm to help it stretch its media dollars.

Best Western stretches its marketing message in a way that's rare in the industry. It has registered a number of rooms with a barter firm that allows it to trade for print media space or tv time. Sills estimates the barter arrangement gives the corporation's ad budget the effectiveness of a $10 million one.

Tv buys featuring the slogan, "The right place to stay at the right price," are all network and cover early news, sports and some prime time, including *The Cosby Show*.

Best Western also pitches on cable television, primarily CNN and ESPN. Radio is an important part of the chain's media plan, too. Though it makes buys in drive time, Sills says late evening is a particularly good time to reach weary travelers.

Print ads run in publications such as *Venture*, *Nation's Business*, *National Geographic Traveler*, *Travel & Leisure*, as well as in-flight books.

The chain, with average room rates of $38 per night, also advertises in the yellow pages as well as the American Automobile Association's tour books.

HILTON HOTELS

Hilton Hotels Corp. segments its 273 Hilton properties not by price, but by location: airport, suburban, resort, convention center or downtown hotel. All of the chain's 100,065 rooms are luxury-priced and up.

More than three years ago, Hilton shifted the bulk of its roughly $18 million ad budget to the corporate guest, billing itself as "America's business address." The company reports that 85% of its business comes from conventions and frequent business travelers, and the target is reached through both spot and national tv buys.

In addition, Hilton tailors 40 different tv ads to suit various sites. They center on morning and evening news plus weekend sports shows. Cable's ESPN runs Hilton ads, too. The company says it also buys heavily into radio in the country's top 10 markets.

Print advertising focuses on consumer business books: *Business Week*, *Forbes*, *Fortune*, and the *Wall Street Journal*, in addition to more targeted publications.

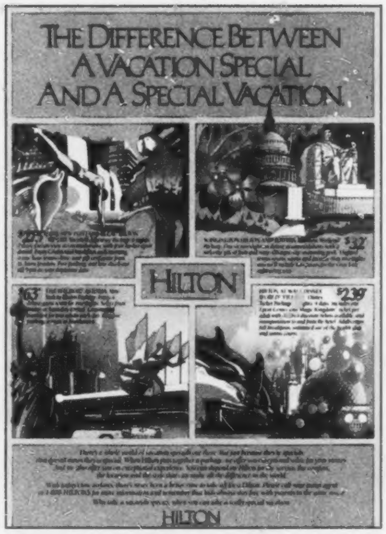
Leisure travelers, though a small part of Hilton's business, have been singled out with a new ad campaign. Increased competition in this segment plus the potential to lure Americans who were expected to travel the U.S.A. during the summer were two reasons for the push.

'Tis the season to be 50.

Our readers have taken an average of 4.5 domestic trips in the last 12 months — with 25% taking 5–9 trips.

50plus

850 THIRD AVE • NEW YORK, NY 10022 • [illegible]2) 715-2781


THE DIFFERENCE BETWEEN A VACATION SPECIAL AND A SPECIAL VACATION
HILTON
$63
$32
$239
HILTON

Summer campaign: Hoping to cash in on the anticipated boom in domestic travel.

The summer campaign, called "Great American vacation" and starring company president and CEO Barron Hilton, focused on the chain's resort and gaming establishments. Tv spots ran during big-draw events, such as the Liberty Weekend, Wimbledon and the French Open. It was also pitched on radio in the top five markets and in Sunday supplements. Weekend-packages were advertised in magazines such as *Travel & Leisure*, *Signature* and *California*.

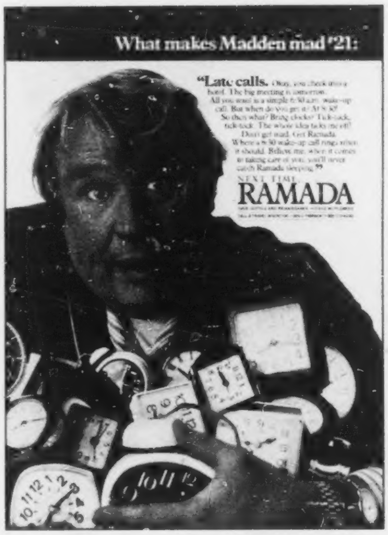
The company is also going after the senior citizen, having recently set up its LXV Club. Members, 65 years and over, pay a fee of $999 which entitles them to a year's worth of double-occupancy stays at Hilton hotels.

SHERATON HOTELS

Sheraton Hotels Corp. has been pursuing a more upscale image for the chain over the last couple of years — even though its 99,101 rooms are already mid-priced and above, according to Robert Quinn, vice president/director of advertising.

In line with this idea are the growing number of "Sheraton towers," something akin to a luxury hotel atop a hotel. Aimed at the business traveler, they feature fancier rooms and amenities like separate check-in and concierge service.

Serving as foundations for some of those towers are Sheraton's three longer-standing lines of properties: hotels, inns and resorts. Here, Sheraton has set up new rate structures to promote the price/value idea and has launched weekend packages. "We are becoming much more conscious of our



Ramada focuses its ads on the business traveler, 30% to 40% of its trade.

A Tale of Two Cities

SEATTLE
TACOMA

In either the best or worst of economic times, it doesn't make sense to buy newspapers that can't effectively reach the whole Seattle-Tacoma CMSA. Though Tacoma is but a mere 35 miles south of Seattle, it is a market largely unreached by Seattle newspapers.

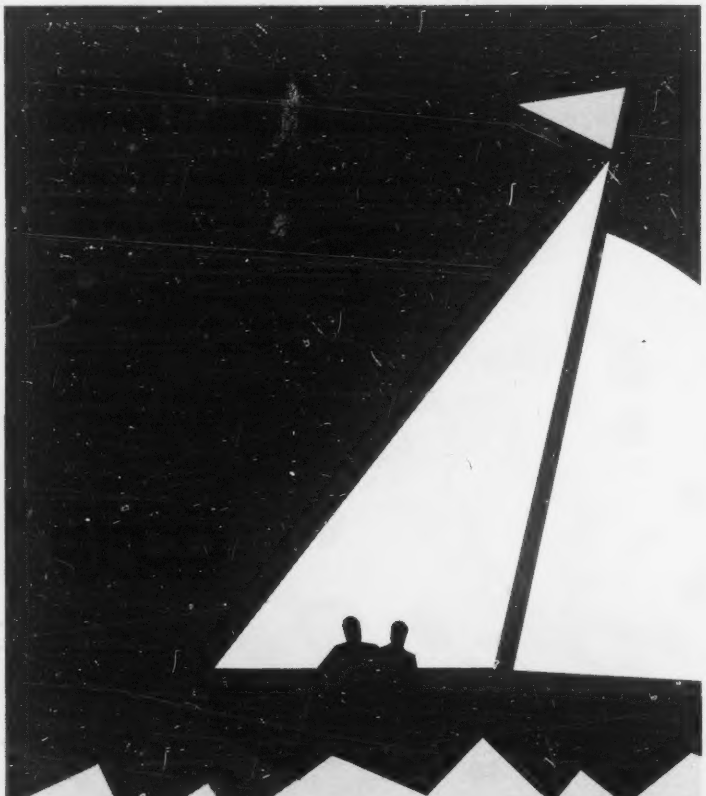
If you want to reach the entire metro area, add The Tacoma News Tribune to your advertising schedule. You'll reach 236,400 adults every day.

Reach the Tacoma portion of this market with a Tacoma newspaper. In terms of gaining results, it would be a far, far better thing to do.

For more information, contact Doug Harris at 206-597-8757 or talk to a Sawyer-Ferguson-Walker representative.

The Tacoma News Tribune

P.O. BOX 11000,
TACOMA, WASHINGTON 98411



FCD: The [illegible] (Norwalk), The Bridgeport Post, Southern Connecticut Newspapers (Greenwich Time & Stamford Advocate)

retail selling needs versus traditional image advertising," says Quinn.

Umbrella ad campaigns serve all three Sheraton lines: "We don't want to over-fragment ourselves and cause confusion among consumers," explains Quinn. Seventy percent of all Sheraton properties are franchised, and each hotel usually runs some customized advertising of its own. The $15 million corporate advertising budget this year primarily targets frequent business and group travelers.

Business travelers are reached through *Time, Newsweek, Fortune, Sunset, Southern Living, Business Travel News,* the *Wall Street Journal, USA Today* and regional newspapers and magazines. Tv ads appear for business travelers, too, mostly on morning and evening news, as well as sports. Prime time slots are rare, however, because the company feels the audience delivery isn't strong enough.

Sheraton finds group travelers are more effectively reached with ads in trade and vertical books such as *Successful Meetings* and *Sales and Marketing Management*. In-flight books are part of Sheraton's media buy, too.

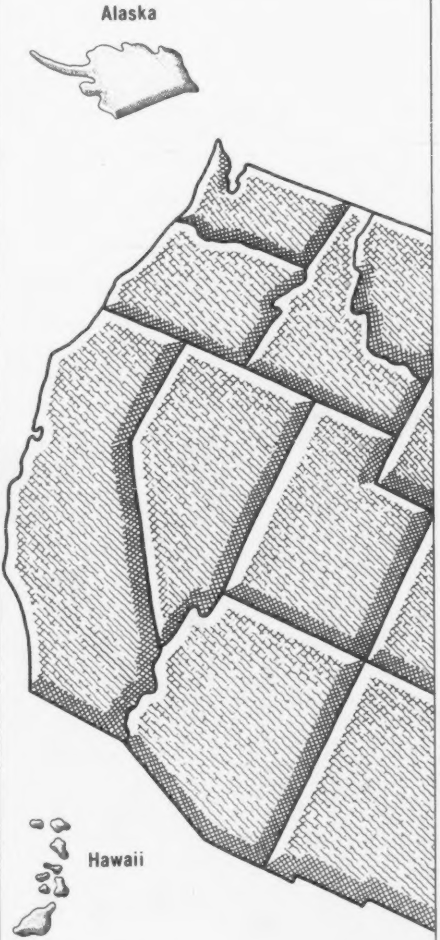
RAMADA INNS

"Three years ago, we were basically doing what 50% of everybody else was doing," recalls Jerry Gelinas, senior vice president of marketing at Ramada Inns Inc. "We'd show the properties and show the smiling staff — it was image advertising but ineffective image advertising because it wasn't believable to the traveler."

But the fifth largest domestic chain, which is 80% franchised and offers 85,373 rooms, recently had to drop another approach. Franchisees, which account for 80% of Ramada's hotels, had complained that the campaign emphasized the negatives of staying in a hotel. "We had been depicting things like the 6 a.m. wake-up call that never comes," says Gelinas. In February, it opted for a softer — though still direct — approach, featuring ex-football coach John Madden.

While Ramada covers almost every segment, from mid-priced inns to resorts, the focus of its ad efforts are business travelers. Leisure travelers, 30% to 40% of Ramada's business, are the secondary target.

Aim at the West first.



The regional quality of the Western market makes it your most critical target.

- Only three countries – the U.S., Soviet Union and Japan – exceed the West's current annual output of $839 billion in goods and services.
- The West is working. With 20% of the population, the region accounted for 25% of all jobs in the U.S. last year.
- 27% of new U.S. homes in the first four months of this year were started in the West.
- Westerners spent an average of $6,117 in retail stores last year, $325 more per capita than shoppers in the rest of the country.

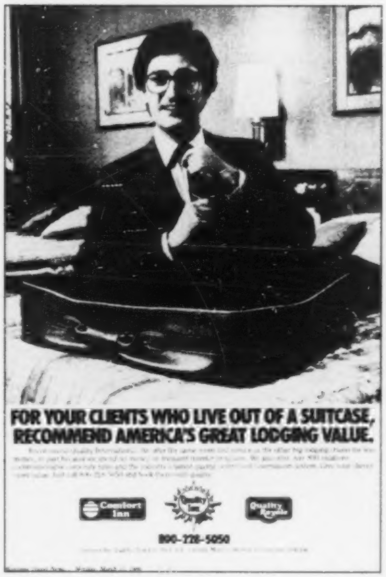
Sunset reaches over 5 million of the West's most prosperous consumers. First to try new ideas and services or new twists on existing ones, they're likely your best customers.

To learn how Sunset can work for you in the West, call or write Dick Bristol, Vice President/Advertising Sales Director, Sunset Magazine, Menlo Park, CA 94025. (415) 321-3600.

In Sunset you get what you pay for.

Ad dollars for 1986 will total $8 million, according to Gelinas, and jump to more than $10 million for 1987. The business traveler's media plan is in print, *USA Today*, *Sports Illustrated*, *Newsweek*, *Business Week*, the *Wall Street Journal* and in-flight magazines. No tv had been run until this fall, when spots were bought on weekend sports, prime time like *60 Minutes* and morning news. This supplements a low budget for national radio.

For the leisure group, which is much more segmented than the business, Ramada pushes promotional offers to families, seniors and weekenders. Buys are in *USA Weekend*, *Time*, *TV Guide*, *Reader's Digest*, *People* and AAA Tour Books.



FOR YOUR CLIENTS WHO LIVE OUT OF A SUITCASE, RECOMMEND AMERICA'S GREAT LODGING VALUE.

Comfort Inn
Quality Inn
Quality Royale

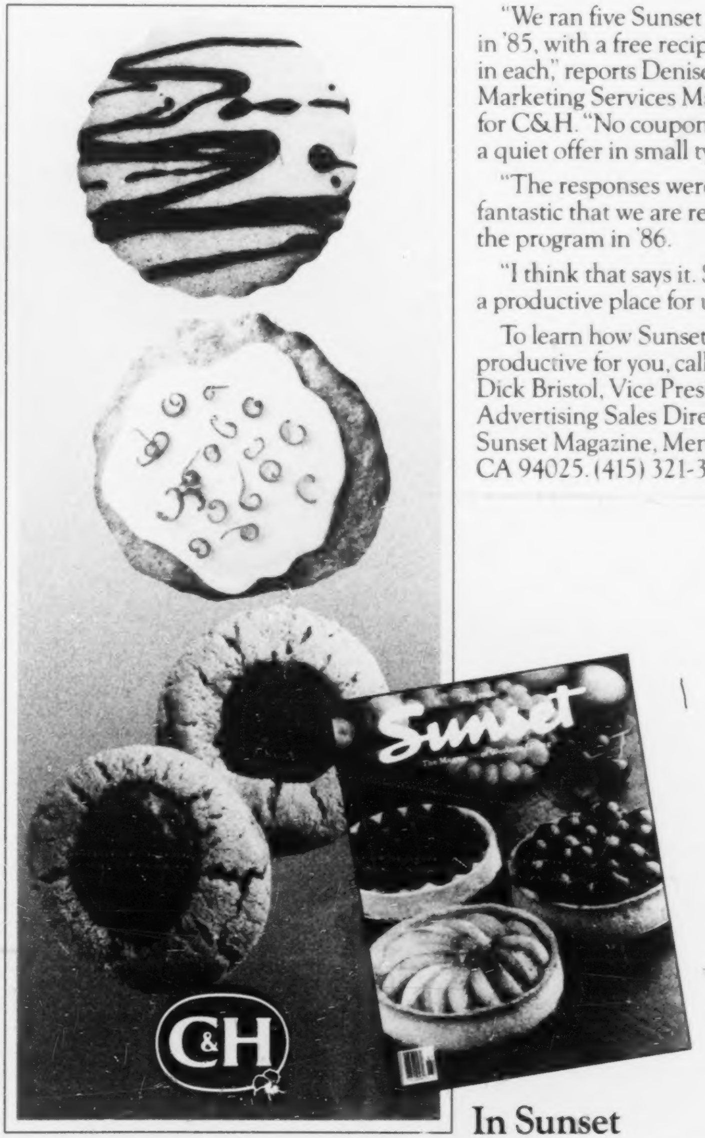
800-228-5050

A trade publication pitch to the business traveler.

QUALITY INNS INT'L

At the 79,730 room Quality Inns International, a management shakeup staged in the early 1980's filled the top slots with marketing people who adopted the segmentation strategy. Three hotel lines and three lines of all-suite lodgings were born. **Comfort Inns** and **Comfort Suites** fall into the budget bracket. **Quality Inns** and **Quality Suites** are more moderately priced, and **Quality Royale** and **Quality Royale Suites** are mid-to-upper priced.

In addition, the new managers launched the company's first-ever na-



Sunset generates a sweet return for C&H Sugar.

"We ran five Sunset pages in '85, with a free recipe offer in each," reports Denise Bina, Marketing Services Manager for C&H. "No coupons, just a quiet offer in small type.

"The responses were so fantastic that we are repeating the program in '86.

"I think that says it. Sunset is a productive place for us to be."

To learn how Sunset can be productive for you, call or write Dick Bristol, Vice President/Advertising Sales Director, Sunset Magazine, Menlo Park, CA 94025. (415) 321-3600.

In Sunset
you get what you
pay for.

tional tv advertising to boost awareness. The $8 million advertising budget helps to project a price/value strategy. Media buys include prime time tv, such as *Dynasty*, and early morning news shows. Major magazines are bought as well as *USA Today*.

Despite Quality's moderate-to-low price image, it has rather conspicuously avoided that industry favorite — the frequent guest promotion. "We saw it as a real expensive option," explains Lynn O'Rourke Hayes, director of marketing communications. "We saw competitors who were in financial difficulties as a result [of them]."

However, Quality is starting a promotion to seniors this month called Prime Time. It features discounts on rates, but also incorporates an educational program designed to make traveling seem less forbidding.

Two years ago, Quality announced a chain-wide policy, designating 10% of each property's rooms as "no smoking" units. "The response has been tremendous," says Hayes. "People really like having the choice." In an uncommon move, Quality donates $2 from each reservation to the American Lung Association.

Pick a number between 18 and 49.

669,694.

The word is out on *Michigan Living's* reader profile in the nine-county Detroit ADI. It's coming through loud and clear about our 669,694 readers in the 18 to 49 age group. Fact is, 63% of our 1.1 million readers in southeastern Michigan fall into this highly desirable market.*

In *Michigan Living,* your advertising talks to an affluent, educated audience that responds on impulse and spends with ease. Our readers start clipping coupons, dialing toll-free numbers and placing orders the day their issues arrive. And they keep responding well into the month. And beyond.

Our latest media kit tells the whole story...much to the chagrin of *Time, Newsweek* and *Reader's Digest* ...and it's yours simply by calling 313-336-1516.

So for big numbers in Michigan's 18 to 49 market, talk to the leader. No one speaks louder than *Michigan Living.*

Michigan Living

Michigan's best read magazine

*Source: 1985 Scarborough Report.

MARRIOTT CORP.

The Marriott Corp. has shifted its marketing strategy since undertaking a major research project five years ago. One key move has been to shift focus away from the group-meeting customer, who contributed only 40% of sales, to the more important business traveler, who accounts for 45% of the total.

Marriott's research on those business travelers showed they placed the highest priority on quick check-in/check-out. As a result, some Marriotts now feature video check-out. A guest can type his credit card number into the hotel's computer system via a keyboard in his room.

In addition, the research led Marriott, like many of the industry's main players, to revamp nearly every room in the system. "It affected our room decor, our layout, even our air conditioning and ventilation systems," says the company's vice president of marketing, Roger Dow.

Marriott's
Great American
Super Saver
Weekends
Nationwide
from $49 per night
Marriott People know how.
1-800-USA-WKND

Weekender rates are now standard promotional tools.

With a budget the company says tops Leading National Advertisers's figure of $7.3 million, Marriott reaches business travelers with ads in the *Wall Street Journal* and in in-flight magazines of major airlines. It is one of the few in the industry to use direct mail for business travelers.

The leisure traveler sees ads on billboards and in large metro dailies. Network tv is used mostly to advertise rate specials. Marriott buys in daytime, evening news, prime and fringe slots.

Print is bought to advertise to meeting planners. Buys include *Meetings and Conventions*, *Meeting News*, *Travel Weekly* and *Travel Agent*.

Most Marriotts are franchised hotels or resorts, but it also operates a few luxury properties, such as the huge Marriott Marquis hotels in New York City and Atlanta — each with over 1,500 rooms. Its current room-count standing at 65,665, Marriott is introducing three new types of hotels.

By year's end, Marriott plans to have 40 "residential" style hotels in operation.

DO NOT DISTURB

By the end of the year, Marriott plans to have 40 "courtyard" properties in operation. These are one-to-four story "residential" style hotels that look like condominiums.

By mid-1987, Marriott expects to open the first of its "compact" hotels. These downsized but full-service hotels are to be based in mid-sized cities. And Marriott is also jumping into the all-suite segment. The first of its line should open next February.

PRIME MOTOR INNS

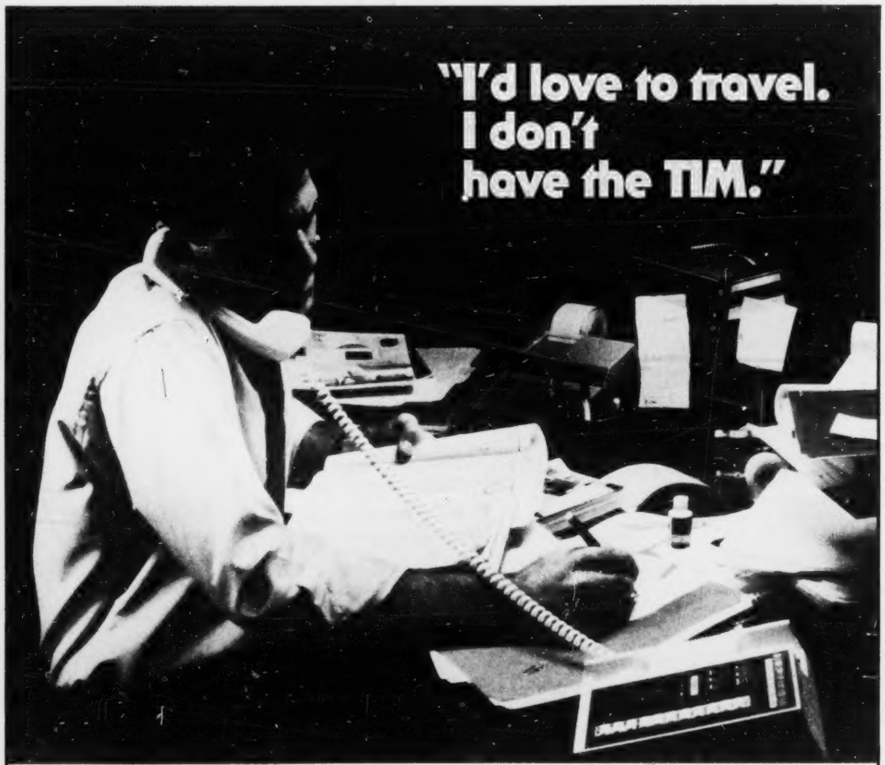
Before its 1985 acquisition of Howard Johnson Co., Prime Motor Inns operated largely as a builder and franchisee for other hotel companies, including Holiday Inns, Sheraton and Hilton. But this recent purchase makes holding company Prime the eighth largest domestic hotel chain, with what the company says are about 61,500 rooms.

A Rare Opportunity To Invest In Other People's Dreams.
HOWARD JOHNSON
We Won't Rest Til We're Number One Again.

A trade ad pitching new franchisees.

Each operation is in charge of its own advertising. Prime franchisees kick in the usual fees for marketing (often around 1% of a property's revenues), their ads being in line with the franchisor's current campaign.

Howard Johnson has grown quite competitive since it was caught short during the lean years of the late 1970's. Then, it had no marketing machine to


"I'd love to travel. I don't have the TIM."

Travel takes TIM—Time, Inclination and Money. Many hardworking business and professional people have the last two, but can't spare the time. Travel-Holiday readers, however, have all three. Our 2.1 million mature adults average 11.6 domestic and 1.6 international trips annually. They spend over a month away each year! Reach people with the TIM to travel by putting Travel-Holiday to work for you. For our new media kit, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money. Our readers have it.

TRAVEL-HOLIDAY
GOT A COMET BY THE TAIL
Where to Tame the Beast

*Source: Erdos & Morgan, 1985.

counter the loss in highway travel due to the oil crunch. "Now, we have to get off our duffs and start marketing," thumps Bud Watters, vice president of sales and marketing for the Howard Johnson division.

But there is a lot of work to be done if it is going to survive. One important need is to clarify that it is no longer in the restaurant business. (Ho Jo restaurants were sold to Marriott.) "We have to communicate to the world that we are a hotel company — not a restaurant chain or a turnpike stopping place," explains Watters.

Another is to hastily segment itself. Already, the chain has four types of lodgings, ranging in price from budget to high-moderate. And the days may be numbered, Watters confides, for those orange-roofed Howard Johnson motor lodges that have beckoned highway travelers for years.

In keeping with its more aggressive profile, Howard Johnson's ad dollars are expected to increase from the 1986 level of $5 million to $6 million. The company's promotion budget is slightly less and it offers discount-oriented deals aimed at seniors and business travelers. Ads emphasize the fact that Howard Johnson is turning itself upside down. Tv buys include early morning news and sports. Print buys are seen in *USA Today*, *Modern Maturity*, *Reader's Digest*, *Business Travel News*, *Travel Weekly* and Sunday supplements. Outdoor advertising is heavy in various regions.

DAYS INNS

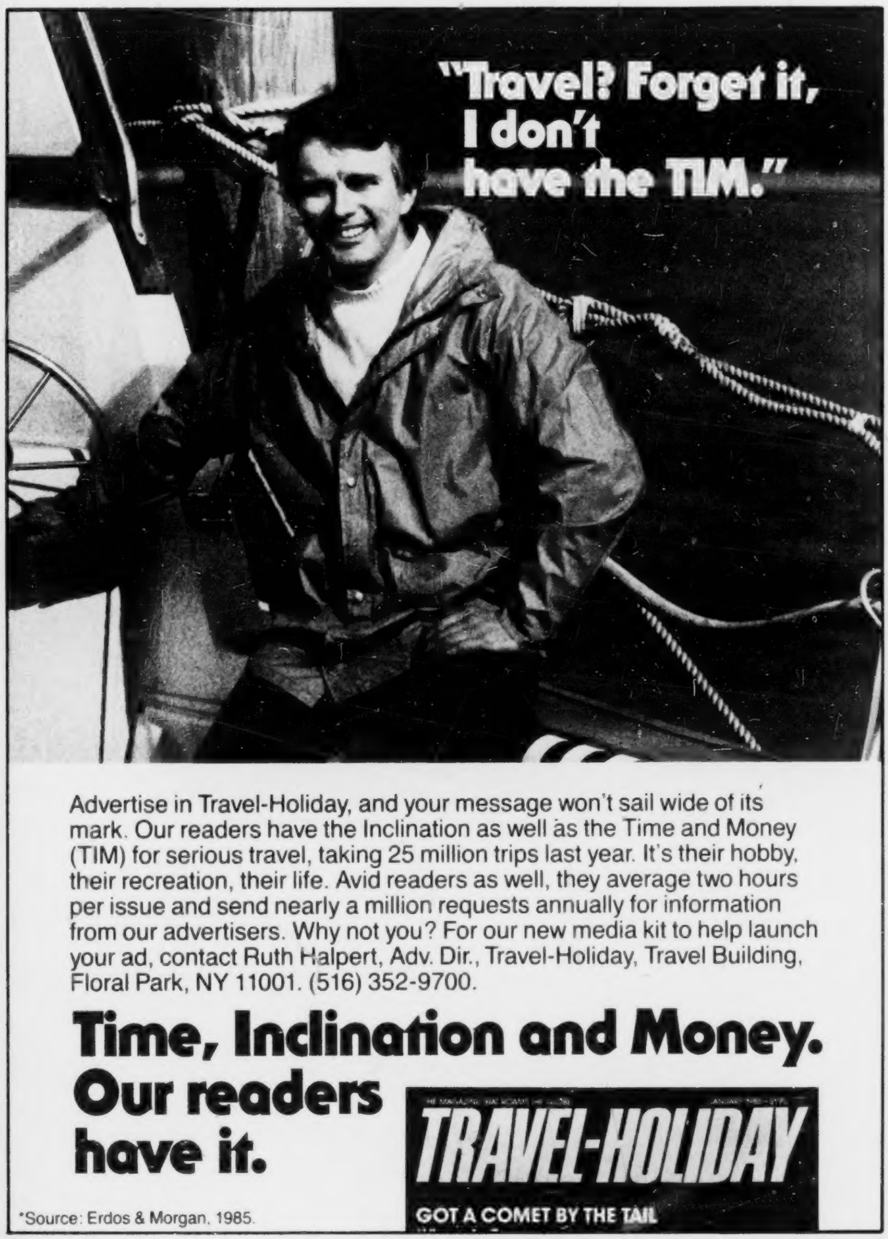
The marketing at Days Inns of America Inc. is done according to the "brand team" concept. The 48,053 room lodging chain's marketing department is divvied up by segment — seniors, the military, government, sports and education, business, etc. As with the brand manager idea, each team oversees everything having to do with its target group, from research to media buying.

Days Inns has "brand teams" that oversee marketing to the company's different targets.

According to Michael Leven, president, the company is spending about $7 million on advertising this year. Very little of it, however, is national tv advertising. "My personal feeling is that tv is the best medium, but we just can't afford it. There's no staying power with tv unless you can sustain it," he explains.

Most of the chain's media dollars go to magazines. Among others, it advertises in *Travel Holiday*, *Better Homes and Gardens*, *Modern Maturity*, inflight books and even specialty newspapers like *Stars and Stripes*. *USA Today* is also on the schedule.

Days Inns positions itself in the


"Travel? Forget it, I don't have the TIM."
TRAVEL-HOLIDAY
GOT A COMET BY THE TAIL

Advertise in Travel-Holiday, and your message won't sail wide of its mark. Our readers have the Inclination as well as the Time and Money (TIM) for serious travel, taking 25 million trips last year. It's their hobby, their recreation, their life. Avid readers as well, they average two hours per issue and send nearly a million requests annually for information from our advertisers. Why not you? For our new media kit to help launch your ad, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money. Our readers have it.

*Source: Erdos & Morgan, 1985.

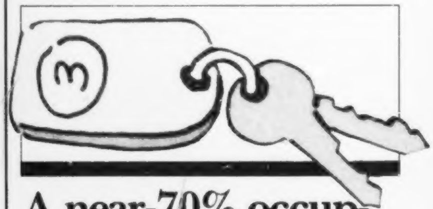
economy bracket. It attributes the very healthy growth it's achieved over the last year as much to promotional programs as to advertising. Last year it ran, for example, a tie-in with Blue Bonnet margarine through which consumers could redeem seals for a free night's stay at a Days Inns.

MOTEL 6

Motel 6 Inc. got its name from the fact that when the chain sprung up in the early 1960's, rooms were $6 nightly. Motel 6's 45,157 rooms are the epitome of the industry's nickname for the economy segment — "two beds in a box" — and the company is rather proud of that fact. "The concept hasn't changed much in 25 years," boasts Hugh Thrasher, vice president of marketing. "We offer a clean place to stay at a low price." Every Motel 6 property is company owned and operated.

The company does very little advertising, depending heavily on the circulation of its Motel 6 directories for communication. Highway billboards get much of the message across, too. And, says Thrasher, that invaluable intangible — word of mouth — is a strong component of the marketing plan. "There is almost a cult of loyal Motel 6 customers," he says, adding that the chain enjoys average occupancy rates of 70%.

Seventy percent of Motel 6's guests are leisure travelers, but it hopes that anticipated cost-cutting by corporations due to the new tax laws will send more business travelers its way.



A near-70% occupancy rate: "There is almost a cult of loyal Motel 6 customers."

But of its current clientele, none seems to mind the fact that the rooms, $19.95 nightly, have only showers, no bathtubs. Thrasher says research shows that many guests, especially women, "don't trust the hygiene level of hotel bathtubs."

Motel 6 has no plans to install tubs in the near future, but it does plan to update in one important way: Soon Motel 6's will have telephones in each room. "It's an amenity we didn't have for 25 years," states Thrasher with a hint of a chuckle. Then he adds, "We hope it's an amenity other hotels won't copy!" ■

"Us take trips? We don't have the TIM."

For Travel-Holiday readers, however, it's a whole other ballgame. They have the TIM—Time, Inclination and Money—to travel. Averaging $41,700 in income, 59 years of age, kids out of college and mortgages paid, our readers have a large discretionary income to spend on your travel goods and services. Add to that a surprisingly low CPM, and you'll agree, Travel-Holiday is a big hit for your advertising dollars. For our new media kit, contact Ruth Halpert, Adv. Dir., Travel-Holiday, Travel Building, Floral Park, NY 11001. (516) 352-9700.

Time, Inclination and Money. Our readers have it.

*Source: Erdos & Morgan, 1985.

TRAVEL-HOLIDAY
GOT A COMET BY THE TAIL
Where to Tame

ECONOMIC EYE

CHARTING THE HITS IN SPOT RADIO

The performance of national spot radio in the top 50 markets through July of 1986 shows an almost perfect split between plus and minus business, according to Radio Expenditure Reports.

Of the top 50 markets, 26 are up in business and 24 are down. The net result for all markets is a seven-month spot radio expenditure score of +0.5%.

Among the markets showing increased national spot billings as reported by radio rep organizations are: Dallas/Ft. Worth, Philadelphia, New York, Providence/Warwick, Baltimore, Tampa/St. Petersburg, Pittsburgh, St. Louis, Milwaukee/Racine and Denver/Boulder.

On the down side are: Detroit, Boston, Los Angeles, Houston/Galveston, Washington, D.C., San Francisco, Chicago, Phoenix, Minneapolis/St. Paul and Seattle/Tacoma.

Big gains were made beyond the top 100 markets, where business increased 17.4% for the year through July 1986.

1986 vs 1985
Spot Radio Business Expenditures

	1985 (00)	1986 (00)	1986 vs. 1985 % Change	1986 vs. 1985 % Change YTD
January	38,805.5	37,538.2	−3.3%	– –
February	51,731.6	49,814.6	−3.7%	−3.5%
March	82,548.9	80,799.4	−2.1%	−2.9%
April	70,959.2	73,531.8	+3.6%	−1.0%
May	83,817.6	87,888.1	+4.9%	+0.5%
June	104,334.7	101,433.8	−2.8%	−0.2%
July	71,356.1	75,138.7	+5.3%	+0.5%

Source: Radio Expenditure Reports

National Spot Business by Market
January-July 1986 vs. January-July 1985

TOP 10 MARKETS:

Dallas/Ft. Worth	+6.0%	Los Angeles	−3.8%
Philadelphia	+4.9%	Houston/Galveston	−5.0%
New York	+2.0%	Washington, D.C.	−6.1%
Detroit	−3.5%	San Francisco	−6.5%
Boston	−3.7%	Chicago	−7.1%

Markets 11-25:	Markets 26-50:	Total, Top 50 markets:
Seven up; eight down	16 up; nine down	26 up; 24 down

Source: Radio Expenditure Reports

Magazine Ad Scorecard

	Ad Pages Aug. 1986	% change from Aug. 1985	Dollars spent (000)	% change from Aug. 1986
1. Skin care, Creams, Lotions and Oils	83.73	−16.48%	$ 2,029.2	−26.79
2. Lip and Eye Beauty Products	53.83	−41.76	1,787.9	−45.41
3. Scents and Fragrances	116.10	+13.31	3,258.4	+12.27
4. Facial Makeup Products	46.30	−6.14	1,709.6	+17.23
5. Prepared dinners and Entrees (including pizzas)	19.52	−40.12	1,102.9	−38.67
6. Liquor	155.99	−31.55	6,815.2	−22.84
7. Cigarettes	522.38	−28.27	29,236.5	−14.70
8. Soaps and Detergents	44.63	+0.40	2,634.9	+7.65
9. Passenger Cars, Domestic	126.01	+13.13	6,733.1	+38.29
10. Passenger Cars, Imported	215.70	−17.72	10,924.9	−6.04

Source: Publishers Information Bureau as prepared by Leading National Advertisers